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THE REALITY CHECK: A METHOD FOR UNDERSTANDING A REAL ESTATE DEVELOPMENT "SITUATION"

BY ©

ALLAN S. MATTHEWS

A thesis submitted to the
Faculty of Graduate Studies and Research
in partial fulfillment of the requirements for the degree of
DOCTOR OF PHILOSOPHY

THE DEPARTMENT OF GEOGRAPHY
Edmonton, Alberta

FALL 1994

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Dear Mr Matthews,

I refer to your letter of the 18 October, and apologise for the long delay in replying. This was due in part to the need for your letter to be redirected from Dundee to my new workplace, and in part to the difficulties involved in liaising with David Nicholson, who now lives and works in Hereford.

By now I am sure you will have taken our silence as tacit approval to use the diagrams contained in our article, and I am happy to confirm this permission. At least you now have it in writing! The only caveat I would add is that I would appreciate it if you would send me a copy of any journal article that you might produce using these diagrams.

May I wish you all the best with your PhD submission, and extend to you the compliments of the season.

Yours sincerely,

Tony Gore

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Research Consultant

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Dedicated To

Rebecca And Richelle

Glory Be To God!

Your Father Is **FINALLY** Done School

ABSTRACT

The purpose of this work was to seek an improved understanding of a particular "situation", a term commonly used in the real estate development industry to refer to the possibility that sufficient analysis of a problem may reveal a germ of opportunity. As the "change agent" - one who was the active participant in the "situation" (a proposal to develop a neighbourhood shopping centre in Calgary, Alberta) - the author was in a unique position to seek the kind of understanding of a "situation" that is not readily available to most analysts. In the search to complete this task it became evident that existing methods of analysis were not satisfactory. As such, the work develops a qualitative method called the **Reality Check**.

The **Reality Check** is underpinned by the notion that much of Western thought is based on a dichotomy between the ideal and the real. Rather than focusing on theory or practice as do most methods, the **Reality Check** seeks to use critical realism to allow one to "inform" the other. By considering "entire dichotomies" (a notion of movement between the real, to the ideal and back to the real) the method seeks to provide a kind of understanding that will facilitate the analysis of ongoing social problems or processes.

The "situation" examined here focuses on the real estate development process, the way urban landscapes are created. The work also examines existing theories and proposes a new conception satisfactory for undertaking a **Reality Check** on the "situation".

The findings are presented in the form of a **Reality Check** diagram. It shows the dichotomous positioning of those participants structured by the essential relations of power, justice and profit, and the role of the three participants mediating the essential relations, urban managers, participation, and externalities.

ACKNOWLEDGEMENTS

I wish to thank a number of individuals for their contributions to my work and to my life over the last four years.

First, I wish to express my gratitude to **Ken Fairbairn** for sticking with me through the torturous process of conceptualizing the **Reality Check**. Ken, your guidance was just the kind I required.

I wish to thank **P.J. Smith** for sharing his wisdom with me. For me, your greatest knack is that you ask questions that are right on the button. You are an absolute gentleman.

Thanks **Denis Johnson** for your support, especially during the time you were graduate supervisor, and I was re-inventing my life.

Thanks too, to **Paul Johnston** for showing me that asking questions never has to end.

I wish to thank **Shuguang** for his friendship and support. Being at University is about meeting new friends like you.

Thanks to **Rebecca** and **Richelle** taking the bus to see their dad in Edmonton, and for waiting for me to be finished. Many times we would have rather been river walking. Thanks too, to their **Mom** and to **John** for permitting me a reduced level of support so that I might afford to do this.

The **Reality Check**, as a method, would not have been created if **Joy** had not shown me the real side to life that informs the ideal. I also wonder how many drafts you read, and how anyone could be such a faithful editor?

Thanks **K.C.** for the idea of doing a Ph.D.

I wish to thank those people mentioned in my thesis, who because of confidentiality regulations I am not permitted to name. To be able to go back and hear your stories helped heal me. That, for me, is what the thesis was all about.

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CHAPTER 1

A Method That Seeks An Understanding Of A "Situation"

1.0 Introduction

This dissertation was motivated by the desire to understand the failure of a proposed real estate development project. In 1988 in the neighbourhood of Bowness in the City of Calgary, Spacemakers Development Corporation, a four-year old real estate consulting and development firm sought to develop a shopping centre. The proposal failed when Spacemakers, at a public hearing of city council, was unable to secure the necessary municipal approvals to "rezone" the land from an existing designation for a senior citizens' complex to one suitable for a neighbourhood shopping centre. Because I[1] was the president of Spacemakers, this work offers a unique opportunity to seek an understanding of this particular "situation"[2].

I was dissatisfied with the explanations offered in casual conversation by business associates, planners, and academics, regarding the failure of the development proposal. Such comments as, "What can you expect, the rezoning process is ultimately a 'crap shoot' - who can tell what politicians will do?" "Very simply, the politics of the situation defeated you", were far from useful in providing an adequate **understanding** of the "situation".

---

[1] Section 1.4 explains the use of the first person.

[2] The term "situation" is not being used here in its more typical connotation as place. Garreau describes developers as speaking in terms of a "situation". "Calling a problem a situation...allows for the possibility that enough analysis may reveal a germ of opportunity" (Garreau 1991: 457 - 458).

As the search for the underlying reasons that would explain the failure and lead to a satisfactory understanding began, **three considerations** became apparent. First was the realization that, albeit in piecemeal ways, each development proposal affects the broader urban landscape (Alexander et al. 1987). Even failed propositions have an impact. For example, even though Spacemakers' proposal for a neighbourhood shopping centre failed, it spurred on those citizens opposed to the project. The interested citizens were able to secure government support to have a long-stalled senior citizen housing project constructed for the site. Thus, in spite of (or perhaps because of) Council's rejection of Spacemakers' shopping centre proposal, the urban landscape was changed.

Council's decision had a second consequence for the broader urban landscape. Their decision not to change the land use preserved the existing retail structure by holding constant the kind and quality of commercial services available throughout the entire neighbourhood.

Although this first consideration surrounding the effects of a proposed development on the broader urban landscape is important to geographers (because the question addresses a traditional geographic concern about urban patterns), it does not aid in providing an understanding of this particular "situation" and therefore is not the focus here.

The second consideration was the need to carefully examine the way buildings come to be conceptualized, built and used (the real estate development process). Such an examination is important because how developers, planners and geographers conceptualize social processes, like the real estate development process, **structures** how problems are understood and solved. The real estate development process is most often conceptualized procedurally. Consequently, most "solutions" to development problems are sought through procedural means.

For example, the "casual" explanations offered about Council's decision were largely structured by a procedural conception of the real estate development process. Such thinking deduced that because the process was stopped as a result of a political decision the defeat had only to do with politics. It failed to provide any real understanding of the process and merely seemed to suggest that a lost button is always found in the last place looked.

The third consideration arose from the second. A social process like the real estate development process is structured by our conceptualizations of it. To create a coherent conception requires that an adequate philosophical position and a concomitant methodology be established.

Based on the second and third considerations, a **general approach** to seeking an improved understanding of the "situation" emerged[3]. First, the "situation" provides a basis for selecting a methodology adequate to improve an understanding of the real estate development process. Second, existing conceptions of the real estate development process must be evaluated in terms of the methodology chosen. Third, if an existing conception of the real estate development process cannot be confirmed as aligning with the methodology, a new conception must be created. Fourth, a new method for examining the "situation" devised from the methodology and the new conception of the real estate development process would be formulated. Finally, this new method would be used to accomplish the goal of the dissertation, that is, to seek a better understanding of the "situation" and answer the question, "Why did the efforts to develop the shopping centre fail?".

---

[3] Section 1.3 defines the **General Approach** using the notions inherent in the hermeneutic spiral.

1.1 A General Approach For Developing A New Method

DeBono's (1985) framework of "thinking hats" - putting on different kinds of hats for different kinds of thinking - is a way to begin to develop a **general approach**. One hat could represent the philosopher and methodologist; the one who seeks a conception of the real estate development process underpinned by an adequate philosophical and methodological position. Here this person will be caricatured as the analyst, one who creates an abstraction of a social problem or process. The term would primarily refer to the philosopher and the social scientist, but could, in some instances, also refer to the planner or, at the conceptual stage of the real estate development process, even to the developer.

Analysts are those concerned with "what could be", expressed here as an ideal. The ideal is expressive of hopes and dreams for a better future. It is commonly reflected in words like "love", "fame", "wealth", "justice", "participation" and "quality". It is most often concerned with the future.

A second hat could represent the doer. Caricatured as the practitioner, the term includes those real estate developers who make their living resolving (real) "situations" by confronting "what is". The real is characterized by an expression like "where the rubber meets the road". It is depicted by words like "reality", "technology", "profit", "bureaucracy" and "quantity". It is concerned with the present.

While DeBono's approach is one of alternating between "thinking hats", perhaps a more helpful notion would be to have users "wear" both hats concurrently. It is, however, awkward wearing two hats at the same time. The **general approach** forms the basis for developing a new method to accomplish this task. Called the **"Reality Check"**[4], it is a way of "wearing" the analyst's hat (the ideal) overtop the practitioner's hat (the real) to create a better understanding of a "situation". It is a method to counter a focus of the analyst as exclusively on the ideal and of the practitioner as exclusively on the real.

The analyst as "detached contemplator" and the practitioner as "front line problem solver" (Sitwell 1993: 334; based on Abler, Adams, and Gould 1971: 3 - 4) are the opposite faces of the same coin. The ideal affects the practitioner's practice, and the real affects the analyst's conception. Each "informs" the other.

---

[4] The name **"Reality Check"** is adopted from common useage. It is adopted here, as a proper name, to clearly describe the method's goal.

Sometimes the analyst and the practitioner reside in the same person. To take a simple example, for a developer "what could be" may reflect the ideal of a new development or, perhaps, status or wealth. However, as a particular "situation" is proceeding, the ideal is "informed" by the reality of interest rates, lease negotiations, financing commitments, construction costs and a host of other concerns.

While this **Reality Check** seeks an understanding of a situation long since settled, the conceptual strength of the **general approach**, which uses the ideal to inform the real, endows it with a potentially greater (and more dynamic) purpose. The distinction between the analyst and the practitioner is representative of a common dichotomy underlying Western thought. Characterized by good and evil, poor and rich (e.g. Robin Hood and the Sheriff of Nottingham), for social scientists the dichotomy is frequently expressed as a conflict between the individual and the state and depicted in terms of individual rights and social justice.

In a wide variety of situations the **Reality Check** could be adapted as an aid to the process of problem solving[5], where the "what is" are the realities of an ongoing process. When the "what is" is used as a reflective process, it seeks the reality of the "situation" when the event **was** happening.

---

[5] It must be clearly stated, however, that **understanding** sometimes leads to greater conflict, and that because the method attempts not to reify people it is not prescriptive in assuring solutions.

1.2 The Role Of Dichotomies In A Critical Social Science

For social scientists, considerations respecting the relative stress on the ideal or the real are guided by three models of science. They are the empirical-analytic, the historical-hermeneutic, and the critical (Johnston 1985: 19, referencing Habermas 1974). Each model of science has a philosophical base. The empirical-analytic conception is based on the philosophy of empiricism-positivism, the historical- hermeneutic conception is based on the philosophy of humanism, and the critical science conception is based on the philosophy of realism. To quote Johnston:

> [the] scientific goal [of the **empirical-analytic** conception] is to be able to predict the empirical world successfully so the focus is on needed technology ["what is"]. Alongside this must be set the **historical-hermeneutic** sciences, which study not phenomena but meanings and which aim at successful transmission of interpretations of the world ["what could be"], and the **critical sciences** which uncover the real explanations and encourage people to seek a better set of mechanisms governing society" [using "what could be" to inform "what is"]. (Johnston 1985: 19)

Because critical science seeks to "uncover real explanations" and "seek better mechanisms" (a kind of ideal), it is the only model of science which considers an "entire dichotomy". This is a notion of using one extreme of a dichotomy to "inform" the other, for example, the ideal to inform the real, or as previously characterized, "wearing two hats at the same time". It is the only model of science that fulfils the requirements of the **general approach** outlined above. To consider the entire dichotomy is to undertake a **Reality Check**.

Critical science is not new. For example, during the Cold War some social scientists adopted Marxism as a form of critical analysis. Marxists aimed to create a radical science that sought "to explain not only 'what is' happening but also prescribe revolutionary change" (i.e. "what could be") (Johnston et al. 1986: 386, interior quotations mine). As such, a Marxist social science explicitly used an ideal to inform the real.

While Marxist analysis has been fraught with misunderstanding, for the sake of this discussion its major contribution was its very willingness to seek to reconcile "what is" with "what could be". With the fall of Communism, and the subsequent abandonment of Marxist analysis by many social scientists as evidenced in 1992 by the demise of the journal **Marxism Today**, there is a pressing need for a new kind of radical (i.e. critical and political) social science that seeks to answer "what could be" in terms of "what is". The **Reality Check**, as a method that seeks "what could be" as a way to inform "what is", is part of a new critical social science.

1.3 The Structure Of The Dissertation

As a method of critical social science, the **Reality Check** incorporates a notion of movement from the real to the ideal and back to the real. Called here a "hermeneutic spiral", and similar to Glaser and Strauss' (1968: 2) "grounded theory", my experience of the "situation" (called "preunderstandings" by Gummesson (1991: 61)) is used to inform and evaluate the existing conceptions underlying the process. In turn, the conceptions may be revised to create new understandings of this and other "situations" (Figure 1.1). The hermeneutic spiral is a way of influencing future practice.

As shown in Figure 1.2 the hermeneutic spiral underlies the structure of this work. It also demonstrates the contribution of each chapter to developing the **Reality Check**, and in seeking an improved understanding of the "situation", the goal of this work.

To begin a hermeneutic spiral is to state one's preunderstandings. Chapter 2 reveals my preunderstandings by outlining the chronology of the "situation". Next, the

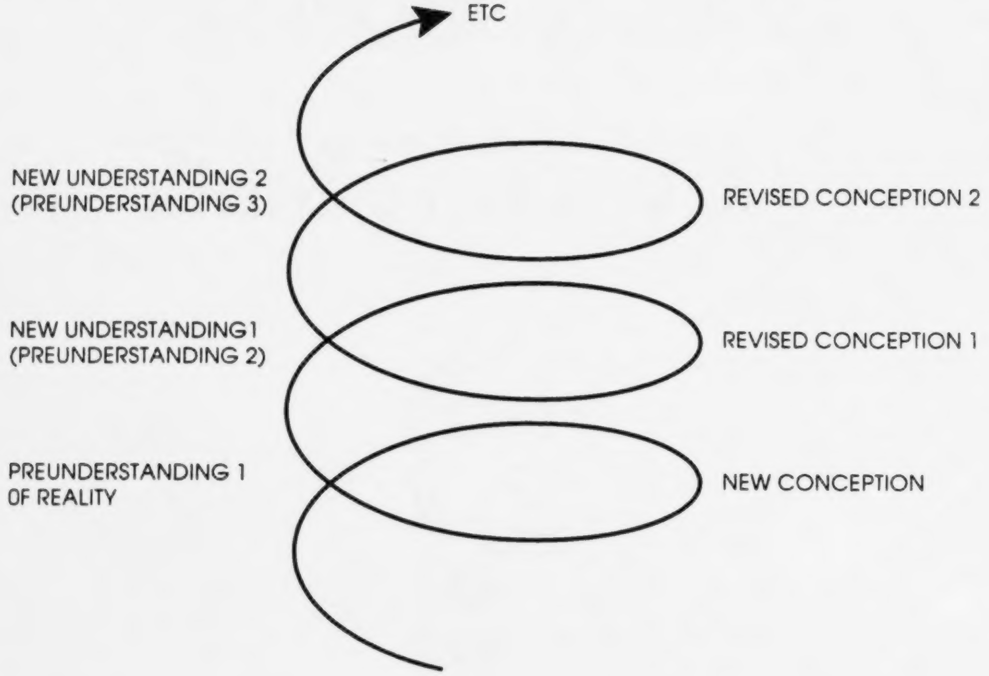

Figure 1.1 The Hermeneutic Spiral (After Gummesson 1991: 62)

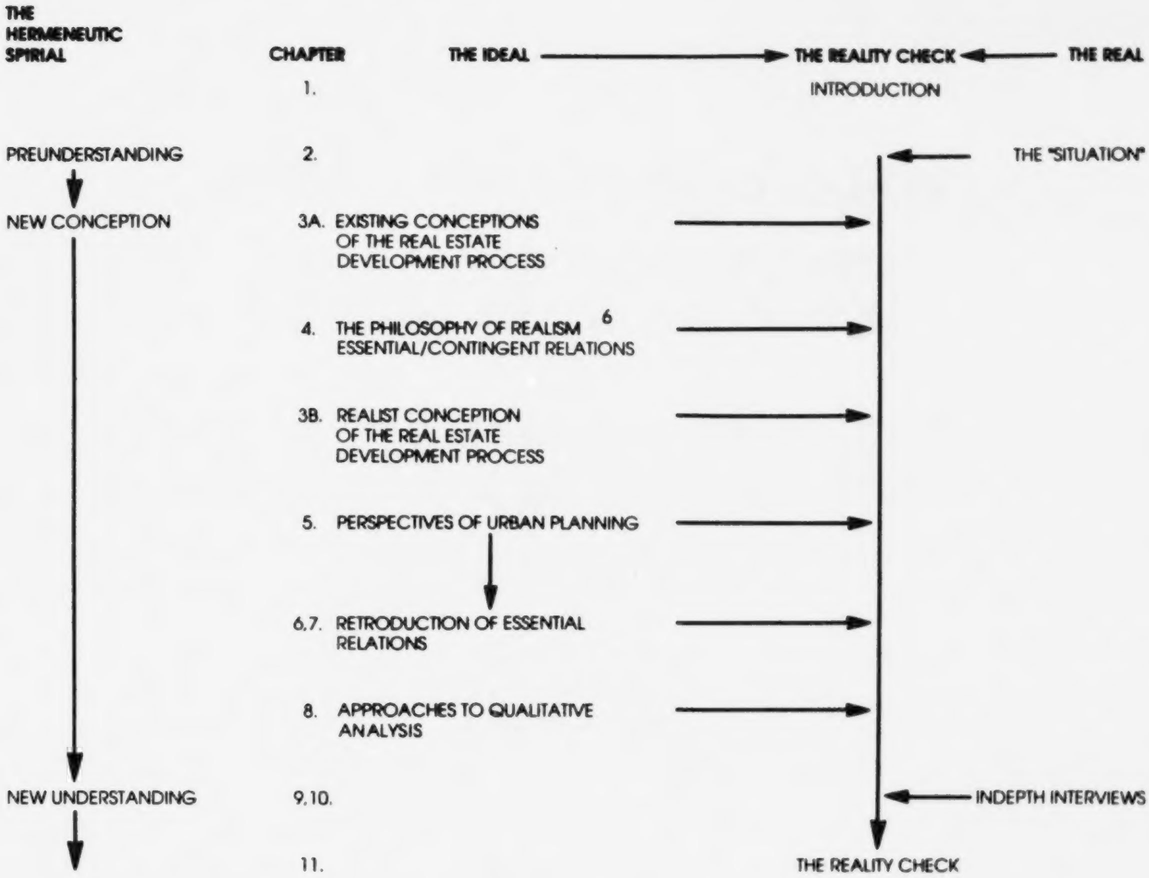
THE HERMENEUTIC SPIRAL
CHAPTER
THE IDEAL
THE REALITY CHECK
THE REAL
1.
INTRODUCTION
PREUNDERSTANDING
2.
THE "SITUATION"
NEW CONCEPTION
3A. EXISTING CONCEPTIONS OF THE REAL ESTATE DEVELOPMENT PROCESS
4. THE PHILOSOPHY OF REALISM 6 ESSENTIAL/CONTINGENT RELATIONS
3B. REALIST CONCEPTION OF THE REAL ESTATE DEVELOPMENT PROCESS
5. PERSPECTIVES OF URBAN PLANNING
6,7. RETRODUCTION OF ESSENTIAL RELATIONS
8. APPROACHES TO QUALITATIVE ANALYSIS
NEW UNDERSTANDING
9,10.
INDEPTH INTERVIEWS
11.
THE REALITY CHECK

Figure 1.2 The Structure Of The Dissertation

---

[6] Realist ideas were used to inform the new conception of the Real Estate Development Process (Section 3B). As a consequence they could have been placed after Chapter 2. They are, however, for clarity of presentation, placed after the notions of real estate development have been fully discussed.

preunderstandings are used to inform the selection of an adequate philosophical and methodological base. This begins the second phase of the hermeneutic spiral.

In tandem with selecting a methodology is the evaluation of existing conceptions of the process of real estate development. The four existing conceptions (sequential, behavioural, production-based, and the structures of provisions approach) are reviewed and, because none of these offer a conception influenced by a hermeneutic spiral, a new abstraction of the process based on realist principles is developed in the latter half of Chapter 3. Using this new conception, it is retroduced[7] that **profit**, **power**, and **justice** are three proclivities (called by realists relations) that "essentially structure[8]" the participants in the real estate development process and determine their "limits to action". It is also retroduced that society has established a sub-structure (a notion of stratification) to mediate the conflicts engendered by the participants structured by the three essential relations. As a kind of intermediary, **urban managers** mediate conflicts between those structured by profit and those structured by power; **participation** mediates between those structured by power and those structured by social justice; and **externalities** mediate between those structured by profit and those structured by social justice. (The development of the concept of mediation is fully developed in Chapter 7).

---

[7] Retroduction is a "mode of inference in which events are explained by postulating (and identifying) mechanisms which are capable of producing them" (Sayer 1992: 107: 3).

[8] "Structure" refers to the notion of cohesion. It is those forces internal to a participant which set one's "limits to action" (the limits on the propensity of how a participant will behave). Structure is based on the notion of "essential relations" not upon hierarchy.

In Chapter 4 the realist methodology that informed the new conception of the real estate development process is more fully explained. The chapter begins with a basic outline of the philosophy of realism as a way of showing its critical nature. Then the notion of structure is examined. As noted, realists consider that some social relations **structure** a participant and **essentially** define a participant's "limits to action". Essential relations operate at the level of the ideal and are concerned with "what could be".

In contrast, **contingent** relations reflect a range of variation in a participant's response to a "situation" that depends on circumstance and context. Called here the "range of action", contingent relations are the multiplicity of "factors" (to use the empirical-analytic term) participants bring to a "situation". They extend the scope of how a participant is structured to act. They are concerned with "what is", and the many real forces impacting "what could be".

While it is perhaps interesting to state that three essential relations structure participants involved in real estate development, realist methodology requires that each essential relation be fully retroduced. There is a connection between the real estate development process and urban planning (see, for example, Pieser 1990). As a result, Harper and Stein's (1992) typology of planning theory is adopted as one way to aid the process of retroduction.

Harper and Stein's perspective is helpful because they draw from the "what could be" of ethical theory as a way of examining the "what is" of planning practice. They identify seven kinds of planning practice which, in Chapter 5, are related to the new realist conception of the real estate development process. Then, the seven types are used as the basis for the retroduction of each essential relation and factor of mediation. In Chapter 6 the three essential relations of the real estate development process (power, profit and justice) are fully retroduced. In Chapter 7 the three factors of mediation (participation, urban managers and externalities) are retroduced.

Like Chapter 4, where the focus was to explicitly provide the philosophical and methodological underpinnings of the

general approach as a kind of meta-discourse, Chapter 8 provides a justification for the kind of empirical analysis to be used to collect data about the "situation". In Chapter 8 it is argued that a very open-ended qualitative kind of data collection is appropriate. This is because of my high levels of preunderstanding and because the "situation" is one dominated by high levels of social interaction (which result in a constant stream of new understandings).

As can be seen in Figure 1.2, in Chapters 9, 10 and 11 the focus of the dissertation shifts from the development of a new conception to seeking a better understanding of the "situation". In Chapters 9 and 10 the new conception is used to "inform" how each major participant[9] is structured. In the final chapter (11) the **Reality Check** is concluded and new understandings summarized through the use of two techniques, the **Reality Check Diagram** and the "Summary Reckoning".

1.4 A Word About Objectivity, And The Use of the Pronoun "I"

This work seeks to understand a "situation" through consideration of an "entire dichotomy". To do so, it adopts a view of objectivity that is dissimilar to traditional empirical-analytic conceptions of social science. While many social scientists attempt objectivity by adopting a detached stance, those using a **Reality Check** can seek objectivity through a critical analysis of their own experience. It is based on a claim that the scientific method is not the only way to obtain objective information, and that experience also provides objective knowledge (Sayer 1992: 65).

---

[9] This research is designed around the notion that certain essential relations structure the real estate development process. As a consequence, only those participants who were deemed to represent the essential relations or factors of mediation were interviewed.

As the initiator of the "situation", this work is based on my experience as a "change agent" (a kind of practitioner). As such, it would be counter-productive to the process of seeking a better understanding of the "situation" to mask the fact of my involvement by using a formalized third person writing style. Therefore, the pronoun "I" is used when appropriate.

1.5 The Effect Of Practical Experience On the Use Of Secondary Sources

This work is based on the preunderstandings of a practitioner as the important source of objective information, and not upon secondary sources. As a consequence, the use of references must be explained. In the traditional empirical-analytic conception of social science a literature review forms the basis for establishing the researcher's preunderstandings and constructing hypotheses (Becker 1986: 137). In contrast, with a **Reality Check** preunderstandings are gained through experience. For critical realists, secondary sources are used not to generate hypotheses but to retroduce the essential relations structuring social processes.

In coming to grips with working through the **general approach** a few dominant sources were pivotal. For example, I relied on Gore and Nicholson's (1992) analytical review because it provided a comprehensive perspective on the existing conceptions of the real estate development process. I used Harper and Stein (1992) as a way to aid the retroduction of the essential relations structuring the real estate development process. While there may have been other approaches to the retroduction of the essential relations, their contribution seemed, on balance, best suited to the task at hand. As Becker suggests (1986: 147), ideology structures how we think about a topic. In that regard Sayer's methodology, as expressed in his **Method In Social Science** (1984, 1992), provides the only realist approach available to structure this work.

My adoption of realism should not imply that I simply latched onto a convenient philosophy which justified my existing conception of the status quo. Quite the contrary. When I began to study the "situation" I held an empirical-analytic philosophy and viewed the real estate development process as a procedural step-by-step conception. The decision to choose Sayer's realism as a philosophical and methodological base came after extensive review of the literature concerning the philosophy of science. The study included Winch's **The Idea of a Social Science and its Relation to Philosophy**, much of **The Dictionary of Human Geography**, Johnston's **Philosophy and Human Geography: An Introduction To Contemporary Approaches** (1986), and his **The Future of Geography** (1985). These sources were used to select an appropriate philosophy and methodology. The only clue to this, however, is reflected in the bibliography. The process of how Sayer's realism was selected is extraneous to the purposes here.

Once I settled on a realist perspective, because it could be adapted to consider "entire dichotomies", I then read most of the available writings (e.g. Allen: 1983, 1986, 1987; Bhaskar: 1975, 1979, 1989; Fay (1990); Isaac (1990); Johnston 1985, 1986, 1988, 1989; Lloyd (1986); Outhwaite 1990; Sayer 1981, 1984, 1985a, 1985b, 1987, 1989, 1991a, 1991b, 1992; Urry 1982; Wild 1948; Harré 1986; Gibson 1981, and Keat and Ury 1982) to develop my own realist methodology to facilitate developing a method to seek a better understanding of a "situation".

1.6 Conclusions

The **Reality Check** relies on the notion of the hermeneutic spiral. It begins by examining the preunderstandings of the researcher, "what is". Then, the essential relations structuring the participants is developed by retroducing "what could be". Finally, the new abstraction is used to inform reality and generate a better understanding of the "situation".

A notion of "what could be" as an expression of the ideal represented by the analyst, and a notion of "what is" as an expression of the real represented by the practitioner, is one example of the widespread dichotomy underlying Western thought. The notion of "wearing" two hats is presented as a way of acknowledging an "entire dichotomy". There is movement from the real to the ideal and back to the real. It is a process of moving from "what is" to "what could be" and back to "what is"; from preunderstanding, to new conception, to better understanding.

The notion of a hermeneutic spiral is in stark contrast to much social science with its emphasis on "what is". While there is no argument with the traditional approach per se, social problems can become intractable when they are consistently viewed through the lens of one philosophy or "solved" using one technique, like the scientific method.

With a focus on "what is", much of human geography can become the production of "yet another study", lacking the power to assist in solving the myriad problems confronting society. Such an approach stymies both the reconceptualization of social processes, like the real estate development process, and the understanding of real "situations". Only by embracing approaches that are concerned with both "what could be", and "what is", will analysts be able to develop more adequate methods to allow practitioners to effect real change.

The **Reality Check** provides a method to seek better (or sometimes new) understandings of situations. As part of critical science it responds to Sayer's (1992: 255) call to provide new methods for those seeking ways to devise fundamental change in social, political and economic institutions. Here, the **Reality Check** is developed, and then demonstrated, to show how it can aid those seeking to better understand particular situations.

In short, this work seeks to develop a new method, the **Reality Check**. It then uses that method to inform the "situation".

CHAPTER 2

The "Situation"

2.0 Introduction

The first phase in a hermeneutic spiral is to make explicit the researcher's preunderstandings[1] as the basis for considering the conceptions underlying a social process. The preunderstandings are most readily exhibited by recalling the "situation". In doing so the context of the research is demonstrated and a perspective of this particular real estate development process is provided.

The development proposal was initiated in the spring of 1988 through the formulation of an idea and the acquisition of the site. It was terminated in December of that year as a result of a defeat at a public hearing of the local city council (over the need to have the property rezoned). The first attempt to recall the chain of events surrounding this issue was made in two exploratory essays written in the fall of 1990[2]. These recollections were augmented by reviewing copies of my correspondence, and documents filed with the City Clerk's office. In the spring of 1993 as a way to provide an enlarged perspective of the "situation", and to allow for an analysis of what structured each participant, I undertook intensive interviews with five key participants.

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[1] A difficulty with this approach is that neither the real estate development process nor the realist methodology have yet been discussed. Consequently, footnotes will be used extensively in this chapter to make some of the necessary connections.

To reconstruct the "situation", I first present my recollections. Then perspectives of the other participants will be added in the order[3] they were interviewed[4]. To maintain confidentiality[5] I have referred to each participant[6] by a title (in each case capitalized and "bolded"): e.g the **City Planner**[7]; the **Ward Alderman**[8]; the **Legion Representative**; the **Community President**; and the **Developer**[9]. Where dates or other specific information would be helpful, these have been sourced from written documents and will be introduced in [square brackets].

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[2] In the early stages I explored the literature for an approach. The empirical method I used was network analysis. I found it to be useful in providing some interesting insights into the relationships between the participants. However, as my research developed I set network analysis aside, and for the reasons outlined in Chapter 1 adopted a critical approach.

Because one of the tenets of a critical approach is that learning is cumulative, it is important that the understandings that arose out of my network analysis "phase" be referenced. While the inclusion of the network analysis in the main body of this dissertation would be a distraction, nevertheless the reader should have access to that analysis because it structured my thinking for a time. The network analysis is included as Appendix 1.

[3] An important feature of a critical perspective is that with every experience new learning occurs. As a result, the order of the interviews is important because one takes things learned from one interview into subsequent ones.

[4] A copy of the letter requesting permission to interview each participant is attached as Appendix 2. Each interview was unstructured. As noted, the goal was twofold: in this chapter, to seek out each participant's perspective of this particular case; and, in Chapters 9 and 10, to seek out what structured each participant's activities.

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[5] Respecting the **Ward Alderman**, because of my difficulty in getting his agreement to meet with me and because of his reputation for being highly "political", at the start of the interview I provided him with a letter confirming confidentiality (Appendix 3). Although it is impossible to tell what effect this letter had on the quality of the meeting, I was taken aback by his openness and by the length of the interview.

[6] Of the four participants (other than myself) I had some previous dealings with **City Planner**. I knew of the **Ward Alderman** only through reputation and media accounts. Before the process began I did not know the **Community President**, although, as will become clear in the transcripts of my interview with him, throughout the process we influenced each other greatly. I did not know of nor meet personally the **Legion Representative** until I interviewed him in 1993.

[7] While the interview was with the senior land use planner, it is understood that he could provide his recommendation and support only because the "Planning Department" was also officially supportive.

[8] This is the local term, and shall be used here.

[9] As a participant in the process, I interviewed myself using the same format applied to the other four participants.

2.1 The Procedure For Obtaining a Rezoning[10]

This case primarily deals with one portion of the real estate development process, the need for the developer to seek the appropriate land use designation (zoning). Miles et al. (1991: 5) reference the need for a developer to "gather" permits from the local government. They see the task as the last stage before a project may proceed. While on the face of it the rezoning process is straightforward, the need to secure an appropriate land use designation is hardly the "gathering" process they suggest. In Calgary, fifteen per cent of all rezoning applications are contentious[11].

To secure the proper zoning, usually the developer first presents an application to the planning department for circulation. Sometimes, if the application is expected to be contentious, a meeting will be held with the alderman in whose ward the site is located, to introduce the proposal and secure an initial impression of the proposal's likely success. If, as a result of the meeting, the ward alderman is concerned that there may be community[12] opposition, a meeting with the Community Association President[13] or their planning representative is held. Often a general meeting is called to inform those in the neighbourhood who are interested and to discuss the proposal.

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[10] While rezoning is only one part of the real estate development process, it is the key to understanding this "situation". Although the common term "rezoning" is not technically correct (in Calgary it is reclassification and in Edmonton it is redistricting), the preference here is to use the term zoning or rezoning because it is universally recognized (Haar and Kayden 1989).

[11] This was indicated during the interview with the **City Planner**.

If the developer senses a disagreement and wishes to avoid protracted conflict, his goal would be to "solve" the community concerns so the politicians may, as part of a public hearing process, pass a zoning change with the knowledge that all relevant interests have been heard. In general, because the urban political process is seen as a "crap shoot", developers attempt to resolve "situations" early. It is best to have all the details of a project settled, and individual council members lobbied before the rezoning application is formally put before the local council at a public hearing.

In Calgary, the land-use bylaw sets out that during a public hearing proponents and opponents of the proposal are allowed to speak to council for five minutes each. When all have been heard, council closes the public hearing and makes a decision.

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[12] This dissertation follows Wellman (1971) and differentiates between a neighbourhood (an administrative jurisdiction) and a community (a group bound by relationships that are more than simply spatial). The "Community" here refers to those affected residents most impacted by the rezoning proposal because of their proximity to the site. It does not imply that there were not other communities formed in support of or against the proposal. In fact there were several: "Local Merchants", "The Bowness Legion", "The New Tenants", and "Neighbourhood Petitioners".

[13] The **Community President**, given the above distinction between neighbourhood and community, should more properly be referred to as the "Neighbourhood President". However, in Calgary the title is the former.

2.2 The Bowness Road Development Proposal

In 1988 the development site was owned by a Crown Corporation of the Government of Alberta (The Alberta Mortgage and Housing Corporation - **AMHC**) whose raison d'être was to develop "subsidized" housing for the poor and for seniors.

The site is situated in the north-west quadrant of the City of Calgary, in the neighbourhood of Bowness. The vacant site (Figure 2.1[14]) was zoned direct control ("D.C.")[15]. The purpose of a direct control district is to allow Council to evaluate a proposal on its merits and to establish all "appropriate development standards" including land-use contols and development guidelines on a site by site basis.

---

[14] Sub-standard duplex rental housing occupies the "RM-4" areas facing Bowness Road. Single family homes exist in the "R-1" areas. Adjacent to the site on 39th Avenue is a social club ("R-2A"), and further east is a Catholic Church. Kitty-corner to the site is an existing commercial area ("C3"). All land use references are to the City of Calgary Land Use ByLaw 2P80.

[15] In this particular case, the D.C. classification was referenced to the medium density multi-family zoning in the bylaw. The use is restricted to senior citizen housing. Any other use would require redesignation.

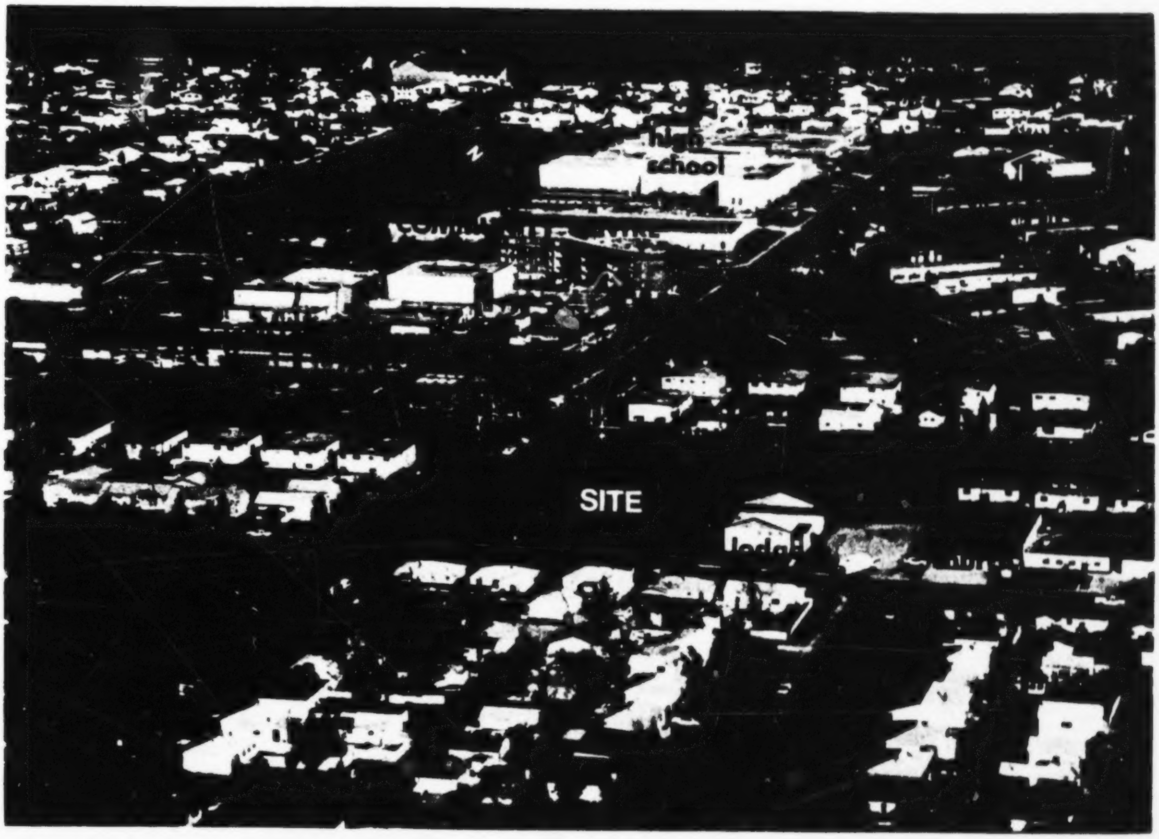

Figure 2.1 Air Photo of the Site - 1988

Due to changed economic and social realities, the lands were "declared surplus" to the needs of **AMHC**. Spacemakers Development Corp., the **Developer**'s company[16], optioned the property subject to rezoning, to accommodate a neighbourhood shopping centre. Figure 2.2 shows the proposed development.

2.2.1 Seeking Community Support

When presented with a preliminary plan, the **City Planner** had no concerns[17]. He suggested, however, that support from the **Ward Alderman** would be unlikely. Therefore, a meeting was held with the **Ward Alderman**, and seemed to corroborate the **City Planner's** concern. To see if the **Ward Alderman** might alter his position, it seemed prudent to meet with the **Community President**. He concurred that the **Ward Alderman** would not likely support the proposal. However, as a vital member of the **Ward Alderman's** (re)election committee, the Community President recommended that if the **Developer**

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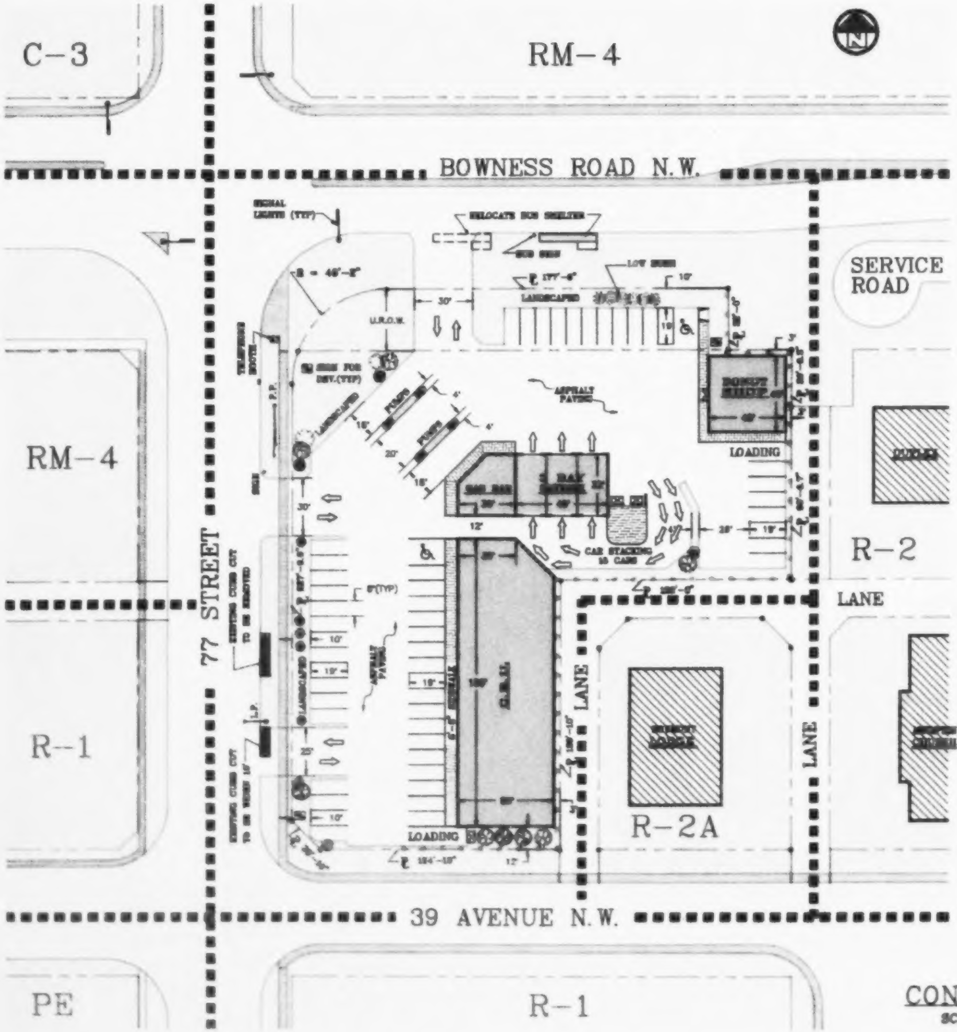
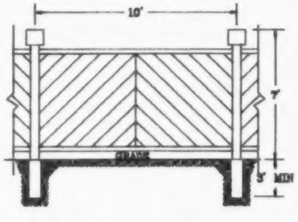
[16] During the interview with the **Developer** (see sections 2.3.5 and 9.1.1) the nature and activities of my company were discussed.

[17] The planner's recommendation was forwarded to the "Planning Commission" and "recommended APPROVAL to the City Council of the proposed amended guidelines in an existing D.C. (Direct Control) District to accommodate local commercial uses at 7735 Bowness Road N.W. in accordance with the Planning Recommendation" (Calgary Planning Commission 88/97). The recommendation became proposed by-law #104 Z 88.



CONCEPT PLAN

SCALE——1" = 60'



FENCE DETAIL

SCALE——N.T.S.

LEGEND	
EXISTING DEVELOPMENT	▨
PROPOSED DEVELOPMENT	▒
PROPERTY LINE	
LAND USE BOUNDARY	■■■
NEW FENCE	

SITE INFORMATION

SITE AREA 1.32 acres

BUILDING AREA

CARWASH	1,536 SQ.FT.
GAS BAR	816 SQ.FT.
C.R.U.	7,300 SQ.FT.
DONUTS	1,600 SQ.FT.
TOTAL	11,252 SQ.FT.

LEGAL DESCRIPTION

PLAN 6962HB
BLOCK 1
LOT 13

PARKING REQUIRED

GAS BAR	2 STALLS
C.R.U.	34 STALLS
DONUTS	12 STALLS
TOTAL	48 STALLS

PARKING PROVIDED

TOTAL 53 STALLS

LANDSCAPING REQUIRED

LANDSCAPED AREA: 7,660 SF.
NO. OF TREES REQ'D: 21
6 CONIFEROUS

CLIENT

Spacemakers
Suite 225, 517-10th Avenue S.W.
Calgary, Alberta T2R-0A8
(403) [illegible]

CONSULTANT

DESIGN	DRAWN	SCALE	DATE	FILE
LGM	LGM	AS NOTED	22/09/88	88020

PROJECT PROPOSED RETAIL DEVELOPMENT
BOWNESS ROAD & 77 St. N.W., CALGARY, ALTA

S5

would agree to limit the uses in the centre to avoid the potential for "teenage hangouts" (no convenience store or pool-hall), the proposal would gain the community association's support and eventually that of the **Ward Alderman.**

It was agreed by the **Developer** and the **Community President** that the **Community** most impacted by the proposal could best be defined as those owner-occupied homes in the "R-1" area to the south of the site (Figure 2.2). The **Developer** went door to door and explained the project to this group of people. While few residents, during the face to face meetings at their homes, had outright objections to the proposal, most expressed concerns with increased noise and traffic. The survey indicated that what opposition[18] there was came from the "R-1" houses across 77th Street (on Beapre Crescent: Figure 1.1). Some residents were concerned that access not be available off 39th Avenue (a residential street). Many indicated their appreciation that an eyesore would be cleaned up (an existing problem with litter on the site). The **Developer's** agreement with the **Community President** to exclude convenience stores and pool-halls from the development was explained. The results were communicated to both the **Community President** and the **Ward Alderman**.

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[18] It is critical to note that the important opposition in fact came from the **Legion Representative.** I did not, however, at the time, realize the extent of the Legion's influence or concern. Upon reflection, it seems I was mediating only the externalities of the **Community** (structured by individual profit) and overlooked those structured by social justice or political power.

Next, a general neighbourhood meeting was called. Its purpose was to give the **Community President** a basis for making a recommendation to the **City Planner**. The total attendance was 21, which usually indicates limited community opposition. It appeared to the **Developer** that the **Ward Alderman** would now have little reason to oppose the proposal. However, expectations that the **Ward Alderman** would exhibit some preference at the meeting were unfounded. The vote at the meeting was 12 to 9 against the rezoning.

After the meeting the **Developer** had a private conversation with the **Community President**, who remained in favour of the proposal. He suggested that if the **Developer** talked door to door to a larger "community" he would "play down the vote" and, in fact, write a letter of support to the **City Planner**.

The outcome of this second set of door to door contacts seemed very positive. Only four addresses opposed the development, preferring it "the way it is". Based on this, the **Community President** wrote a letter to the **City Planner**, stating:

> Since this first meeting, the Developer has addressed our concerns very satisfactorily, and has

> been very open and honest with all the Residents and the Bowness Community Association. He has had door to door meetings with the Residents, and sought out their concerns personally, with the intention of trying to solve their problems.
>
> I am familiar with the fact that a letter of approval for this project has been signed by a large portion of the Residents affected. I would also like to point out that a good portion of those in favour of this project did not attend our meeting. Had they done so, there is no doubt, the outcome of this vote would have been considerably different.

A few days prior to the public hearing the **Developer** received word from a real estate salesman in the neighbourhood that the businessmen in the existing shopping centre had started a petition opposing the proposed[19] land use change (By-law 104 Z 88). Their petition stated that:

> We, the undersigned citizens of the City of Calgary, respectfully request that City Council abandon the proposed By-Law 104 Z 88 (Land Use Designation Amendment 88/97) which proposes to amend the existing designation from DC (160 Z 81) for senior citizen housing to DC to accommodate proposed local commercial uses.
>
> As interested citizens of the Bowness Community, we submit that the lands under

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[19] It was suspected that either the merchants started the petition out of fear of competition, or the **Ward Alderman** had them start it because of his opposition to the proposal. In fact, the **Legion Representative** claimed to have started it (see Section 2.3.3)

> consideration should be retained for low density mixed housing as was originally stipulated in the Bowmont Design Brief approved by council on April 25, 1978. We further request that the City of Calgary encourage the future development of this land with affordable low-density housing to alleviate the growing demand for such accommodation in our community.

The petition contained 276 signatures[20]. What seemed implicit was that if the **Ward Alderman** expected continued electoral support from the merchants, he would be well advised to oppose the proposal.

For a developer, a "no" vote by a ward alderman is especially problematic. This is because there is an acknowledged practice of "vote trading" among members of **City Council**. Some aldermen have an "understanding" that if "you vote with me on this concern, I will reciprocate when a ward issue arises that is important to you". In a recent case reported in the **Calgary Herald**, one alderman "openly admitted all the evidence had no bearing on his vote. 'I'll be supporting the ward alderman because I have a history of doing that'" (Martin 1992: B3). Such quid pro quo works well for those aldermen wishing to effectively represent their own ward while at the same time protecting their electoral support. In spite of this, the **Developer's** lobbying[21] of the remaining members of **City Council** indicated that there were enough of them supporting the proposal that the bylaw amendment could well be passed.

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[20] The petition erred in suggesting that the Bowmont Design brief should be "retained for low density housing". The existing land-use designation for a seniors home (DC160/Z81) already far exceeded the "R2" zoning recommended in the plan.

Subsequently the **Developer** heard that the Bowness Senior Citizen's Club was opposed to the rezoning. They wanted the site to remain zoned for senior citizen housing. Like most rumours, it told only part of the story. While the group was indeed opposed to the proposal, and submitted a letter to council opposing the development, it was The Bowness Legion who were most actively working for the proposal's defeat.

Throughout the process, **AMHC** continued to hold their position that the lands were "surplus" to their needs. In a letter to the **Developer** in November of 1988, they stated:

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[21] Lobbying can range from letters to meetings to bribes. In Calgary, according to the **City Planner**, lobbying is "where a special interest group, be they community oriented or development oriented, more likely the latter - because of the kind of money involved in hiring somebody - who has council's ear as a lobbyist. This is being part of the "in" group. They meet members of council, they smile, they buy him a drink [and say] `I'm not here to try and influence you, I just want to make sure you have the facts. The administration has zeroed in on one point and they're really missing the whole picture. Theirs is really a minor argument, and this is what is really important'. Or, `the administration are being jerks...as usual...they don't want any development... don't they realize there's a recession?... don't they realize people are out of work?, they're sitting there in their cushy jobs'. The aldermen listen politely, hopefully don't commit...it's illegal to commit."

> this will confirm that the subject land has been declared surplus to the Corporation's needs due to the fact that the need and demand for the number of units this property will accommodate cannot be substantiated.

They continued to maintain that funding for any project in the neighbourhood was not a possibility; and that while it was their policy not to appear "political" due to their status as a Crown Corporation, they would confirm these facts to the **City Planner**.

2.2.2 The Public Hearing

To rezone land in Calgary requires, after a bylaw has received first reading, a public hearing of City Council: "All amendments to the Land Use By-law, shall be made by an amending by-law following a public hearing" (The Calgary Land Use By-Law 1980: Section 14). Much of the discussion at the public hearing on By-Law 104 Z 88 focused on the 276 name petition gathered by the local merchants. As the hearing proceeded, it became clear that most of the petitioners lived throughout the neighbourhood of Bowness.

In contrast, the **Community** largely supported the **Developer**. He garnered his own 51 name petition that reflected their backing. In addition, during the hearing, several members of the **Community** made pleas to **Council** in favour of the proposal.

Due to an absence on Council that day, there were fourteen members present. After three and one half hours of debate, the final vote to accept the rezoning was lost on a tie: seven-seven. It seemed that one member of Council who had promised to support the **Developer** vote-traded with the **Ward Alderman** because, as she subsequently admitted to the **Developer's** wife, she needed the **Ward Alderman's** support in an upcoming battle to lengthen the emergency hours in a new sector hospital in her ward.

2.3 How The Other Participants Viewed The Process

In 1990, after I wrote this description of the "situation", several nagging questions remained: "Why did the **Ward Alderman** oppose the project when the **Community** were, by and large, in favour of it?; Why would the **Ward Alderman** trade votes on this issue when the opposition to the rezoning was centred on a petition dominantly signed by unaffected neighbourhood residents?; Why would the **Ward Alderman** support a project proposed by a Senior's Group[22] that would likely never be built[23]?".

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[22] In fact, even two years after the project was defeated, it was still not clear to me that the real battle was against the Legion (and not the senior's group).

To begin to answer these questions more carefully, in the spring of 1993 I held in-depth interviews with five of the participants. In the balance of this chapter their perspective provides an aid towards the goal of seeking a more complete understanding of the "situation" (the participant's explanations of their role in the process are presented in Chapters 9 and 10).

The interviews are provided in a question and answer format and seek a broad based understanding by providing the answers, as much as possible, within their context. The interviews are presented in the order in which they were done.

2.3.1 The **City Planner**

The **City Planner** did not respond directly to questions about this particular "situation". This is because a junior planner did much of the leg-work, and the **City Planner** had not reviewed the file prior to our meeting. It was this person's position, however, that was crucial to the broader analysis because he was, and is, the head of the department and could most fully address concerns about the essential relations that structure his decisions. However, some of his comments made reference to how he came to recommend approval of the proposal.

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[23] This proved to be inaccurate. A 32 unit senior's project was built on the site in 1992.

Q: On what basis did you make your decision?

A: On policy, vast experience. After a while they get to be obvious. I say, "I understand why you want that as a commercial site, it's got good exposure, but if we make every site on every street that has a lot of traffic going by [commercial] we would have nothing but strips of commercial all over the place".

When I get an individual application for redesignation, that either conforms or doesn't conform to an old policy document, we look at it and say..."well the policy says don't do that, but let's take a look and see what's changed". If the policy really is out of date for a particular site and what's being proposed makes more sense, we initiate an internal amendment to the policy document. There is a public participation process in amending those documents as well.

Q: When you recommended our proposal from senior citizen's housing to commercial, you approved that internally on the basis that the location seemed to be good for a commercial use. You were sensitive to the impact on the residents and you were concerned, as we were, about the uses on the site. On a site specific basis, what basis are these professional planners deciding what the principles should be? I assume when you got the application on the senior citizen's project [in 1991] that you were able to provide a positive recommendation for that proposal as well.

A: We have to respond to what is being proposed because that is what is presented to City Council. Would it work, first of all? Work from an infrastructure standpoint. Roads, utilities, access points that aren't right at the intersection. Is the site big enough to accommodate the land-use? What are the uses that are likely to go in under the broad designation, and are they all appropriate to this site? If you, as the developer, agree with the community to delete certain uses under direct control then we will not insist on those uses. If you want to remove potential from your site then that's fine. We take into consideration the rules of the district.

If everything seems to be working, then we ask if we have enough grounds to support the change. Generally the reaction is yes, if we can do it without screwing up everything else, and justify it in planning terms, then we're more likely to support. We support something like 85% of all proposals...

From the planning standpoint we write our report to the planning commission and it's in writing and that's the last input we have. It's then available to the planning commission, it's advertised and available to the public. It's available to the applicant who can spend six or seven weeks hiring professionals, consultants and hired guns, to refute everything that was said.

2.3.2 The **Ward Alderman**

Q: At the time [1988] the land was owned by Alberta Mortgage and Housing [**AMHC**] for senior citizen's housing. Spacemakers came along and said "there's an awful shopping centre across the street". When you get an interest in your community [for a new development] what do you do?

A: I remember the discussions in 1979, '80, '81 because I participated in the discussions to rezone it [the site] from R2 to a designation for senior citizen's housing. In 1982 it did not proceed [was not developed] because of a development [at another location] undertaken by the German Canadian Club. The government felt that proposal provided adequate senior citizen's accommodation in the area. This site was going to be left on the back burner for some other time. The government was never interested in the early '80's in proceeding on this site.

At one time the City owned the site. Later in 1985 or '86 they transferred the ownership because the City was not able to do senior citizen's projects. It had no funding. **AMHC** provided low interest mortgages. At this time **AMHC** took these lands in exchange for some lands in Chinatown. The land-use stayed the same. It remained so until Spacemakers made a proposal to flip it over to commercial.

2.3.3 The **Legion Representative**

Q: I'm wanting to find out why the opposition to the project. I've met with the **Ward Alderman,** the **City Planner**, and plan to meet with the **Community President**, and want to meet the owner of the drug store, because he started the petition.

A: The petition wasn't the drug store. The petition was started by the dry cleaner who is now passed away.

Q: Why did he start the petition? Do you know?

A: I think his reasoning was "I can't make a living in my shopping mall...it's third or half dead, what do you want another one for?".

In 1980 I was president of this branch [The Legion] and I proposed that it would be a good site for a senior citizen's project. We were in the process of approving the need for a senior citizen's project, we had pretty well completed our survey, then all of a sudden the land came up unbeknownst to anybody, especially us, the land was up for sale for development. We could never figure out why, when the process had made the land ours. What was the purpose and why were they doing it to us? My concern was that they had done two or three years work and all of a sudden the government says "we're going to sell it for a strip mall".

Q: What kind of work were you doing?

A: I worked with the Minister of Municipal Affairs to make sure the money was available, and also that we had to show intent on a survey to see if there were enough senior citizens in the area to justify building. I got to a point where I didn't have the expertise and so I went to our MLA and the **Ward Alderman**.

Q: So you had talked to the **Ward Alderman** and the MLA before we came along?

A: The MLA [only] became involved when the government decided to sell the land. I couldn't understand why when we had put in a good four or five years of hard work why the land was up for sale.

Q: When I talked to the **Ward Alderman** he was quite convinced that it was our application that brought your concerns to the top of the pile and got the political will for it to happen. So why did it go nowhere for eight years?

A: I don't think we worked hard enough on the application. I thought we believed that it would come about eventually. We thought the government bought the land so we were convinced it would happen. It was just a matter of when.

Q: When Spacemakers came along, made their proposal at a public meeting, what did the Legion do?

A: We had heard that the proposal had been circulated to the community, and my interpretation of community was all of Bowness. But in fact, it was only circulated to a few people in the area. We have seven members in the area and they informed me that the project was not acceptable.

I was questioning in my mind what the influence was to the **Community President**, him being a community man and president of the Community Association. I wasn't pleased that he was prepared to support a strip mall over a place where the seniors could live.

The president of the Legion at the time, wrote me a letter, after we had gone to the public hearing, and informed me that there was better property to be used and he took me off the Housing Committee. He figured it was a disgrace. [But] I had gone down to City Hall and protested as a citizen, not as a Legionnaire.

Q: Were you on the Housing Committee?

A: I started the Housing Committee when I was the president in 1980.

Q: Did you say that you made the presentation to council on your own behalf, not as a Legionnaire?

A: That's right. But his [the Legion President's] interpretation was that if I went down to City Hall [at all] that would make me a Legion representative. And yet he allowed the petition to be circulated in the building. The petition was at the front desk and it was announced that anyone opposed to the development could sign the petition. The Legion President allowed that and yet a few days later he disallowed[24] me to go down and speak at City Hall.

Q: Why didn't the Legion send a formal representative?

A: I was the formal representative as far as that goes. When he became president he left all committees as they were. He never asked for reports and we never gave reports.

---

[24] What the **Legion Representative** may have meant to say was that he was reprimanded by the Legion President for going to the council meeting. That reprimand resulted in the removal of the **Legion Representative** from the housing committee.

Q: Did you have discussions with the **Ward Alderman** during this time?

A: The **Ward Alderman** had come out a couple of times to some of our meetings but on other matters. This was strictly a Legion function.

Q: When we made our application did you have discussions with him [the **Ward Alderman**]?

A: No. We were unaware of the application until the **Community President** called a meeting. At least I was unaware of it.

Q: The Dry Cleaners started the petition? There wasn't any formal discussion amongst the Legion?

A: There was just a round table discussion[25]. The bakery was saying we don't need competition, and the cleaners said we have enough empty space already.

Q: Was the dry cleaner a member of the club? And the bakery guy?

---

[25] That the **Legion Representative** stated so strenuously that they had no formal involvement continues to be a puzzle. The Legion, through their lawyer, sent a letter to **Council** outlining their opposition. The letter (dated December 1, 1988) stated in part: "The Royal Canadian Legion Bowness Branch #238 is opposed to the rezoning." (Letter No. 3, December 1, 1988: Bylaw 104Z88).

A: Yes, the cleaner was on the executive and he spoke to the owner of the bakery.

Q: Let me recap. We made the proposal, you heard about it through the grapevine and then formally heard about it at the community meeting, is that right?

A: The first I knew that there was something amiss was the invitation to the meeting. We [then] thought that the outcome of the community meeting was that the proposal had been defeated. Then we found that the Community Association were in fact all in favour of the development. I said to council that I didn't understand why the City was considering this proposal when we had been assured that this land had been set aside for senior citizens.

Q: So you took this on as something that was important to you.

A: Exactly. Everyone was in favour [of the **Legion Representative's** activities on behalf of the Legion] but the Legion President. Apparently because he thought there was other land available.

2.3.4 The **Community President**

[After talking about some other matters, I asked the **Community President** about the process and why we lost].

... what happened in your case is that you ran into the people from the Legion. I told you, and I was dead right, that if you wanted to get this thing through, you will have to appease the people who live around here. You went out and you banged on doors. You ran up against one person who was totally opposed[26]. Everybody else was no problem. She is a community activist. She was the past president of the Bowness Community Association. She single handedly did not kill that [the proposal].

What killed that was the Legion. They had always said that they wanted that land to put up a senior citizen's complex.

This was long before you came along. You didn't know this.

In the meantime the Alberta Government made that land surplus, which meant it was available to somebody if a decent proposal came along. Your proposal was feasible. I believed it was feasible. I was never opposed to that going in. At the same time, when that happened, the people at the Legion got up off their duff and got going. All you did was give them a kick in the butt. You didn't know you were kicking them in the butt, but you kicked them in the butt. They had been procrastinating on that land right up to the point where it became surplus land... but they didn't know somebody was going to buy it. Then all of a sudden you drove up, and they thought we may have left this too late, we'd better get to work.

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[26] This person was and continues to remain unknown to me.

At that time the people that were involved with the Legion said "we would much prefer to have the senior's home there than a shopping centre". Now, had their proposal been solid at the time I might have said, "yeah, I'd rather have a senior's home there too, than a shopping centre".

But because that lot had sat vacant for so many years, it was growing wild and going nowhere, your proposal was an excellent proposal. It was going to offer services to the people of this community. There is 13,000 plus people here. You people were going to provide services to this community. I didn't have a problem with that. But the people in the Legion did, and they are long time residents, drinking buddies. Their strength came because of that. Your opposition was the #238 Legion.

Now, the Ward Alderman, being the politician he is, would have been crazy to vote in favour of a shopping centre rather than a senior citizen's lodge. Those people all know him and he goes to their functions, and if he was to vote in favour of a shopping centre over and above what the people really want, which was a senior's home, it's political suicide. You people got defeated, they got their senior's home and everybody's happy. I'm happy there's a senior's home there. I'm not happy the way they dealt with you. I felt bad because you had done everything according to the rules, everything. First of all you phoned me, and I was the president, you said let's get together, we got together, you told me what your plans were. I said "if you want to make this happen this is how you do it. You go bang on doors." Well I don't know too many developers that will go out there and bang on doors. I still to this day can't believe you went and banged on each door. You said "I'm Allan Matthews, and we're thinking of putting in this shopping centre"...you were prepared to take the heat, you did it twice. You listened to these people. Those people were grateful. You were honest. Very honest.

Is that where you made your mistake? No, it's not. You were doomed to failure the minute the Legion found out. It wasn't going to happen. That's when the Legion got off their duff and said "hey, we'd better get cracking or we're going to end up with a shopping centre". Don't forget that five years prior to you showing up they had dibs on the land. They just hadn't followed up. You got the job done.

2.3.5 The **Developer**

Q: How did you recognize the potential of that site?

A: I tended to drive around Calgary using different routes because I enjoy seeing what is new. During a drive through Bowness one day I thought that this particular site might have potential. Bowness, which was formerly its own town before being annexed to Calgary in, I believe 1964, in the late 1980's still lacked any kind of commercial services that were part of the rest of Calgary. By that I mean franchise operations offering a standardized level of service, quality, and price. Simple things like donut shops, automotive services, submarine sandwiches and the like. I still made some of my money finding sites for these kinds of tenants, and it seemed to me that this site was a perfect size for these kinds of uses. Furthermore, they would never locate in the existing shopping centre across the street because it does not portray the image that these kinds of uses require.

So I searched the title and found out the owner: it was the provincial government through their Alberta Mortgage and Housing Corp. I contacted them, and as a result of that contact they put the property through their system and declared it to be surplus to their needs. They put the property out to tender, and Spacemakers won the tender [and optioned the lands].

Q: Why did you think there was a market, given the vacancies of the other adjacent centre?

A: Primarily because we were franchise driven [with respect to the kinds of tenants we dealt with], but also because we could offer an intervening opportunity for the cars coming through Bowness to the far northwest where, at the time, and still it is largely true today, these basic services were not available...

Q: Tell me about the process you used to attempt to get the land-use change accepted.

A: First we secured the land through an option to purchase. We had assurances from **AMHC** that it was surplus to their needs. They owned a smaller site just two blocks away that would more adequately handle the small demand in Bowness for senior citizen housing. They would provide an option subject to us rezoning the lands. They never told us about previous interest or verbal expressions of interest or commitments from the near by Legion.

Once Spacemakers "tied up the land", we began the process of developing a site plan based on interested tenants. We also sought out preliminary financing commitments. We had an equity deal in place because of a failed attempt to do a commercial development in B.C.

I wanted to make the rezoning as painless as possible given the land was in Ward 1, and our political connections claimed the **Ward Alderman** was anti-developer. The feeling was that he was both trying to keep Bowness in its small-town state, and that he is motivated by keeping his constituents happy, especially if that means being seen as standing up to a developer. So, I met with the **Ward Alderman** to seek his advice and see if I could garner his support. He suggested I go to the Bowness Community Association (The **Community President**) and inform them of our plans[27].

I met with the **Community President** and he seemed impressed with the proposal although he agreed that it would be difficult to get the **Ward Alderman's** support.

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[27] I only found out from the **Community President** during my interview with him for this research that the **Ward Alderman** held the position of planning representative on the board of the Bowness Community Association, but that because of his position as **Ward Alderman** he passed all of these kinds of inquiries onto the **Community President**. The **Community President** was also the **Ward Alderman's** campaign chairman.

The best he thought I could get was a neutral position from the **Ward Alderman**. Again there was no mention of the Legion or their previous interest[28].

It was the **Community President's** position that such matters [rezoning] are essentially the concern of those who live near the site, so he suggested that I talk to the group of homeowners to the south of the site. It is these people who were most affected by the vacant land, the feces from dogs, and the garbage problem. So I went door to door explaining the proposal and, I believed, had a large measure of support.

Subsequently, the **Community President** called a meeting of the whole of Bowness. I informed the 21 people there of our plans, and a vote was held. The proposal was narrowly defeated. However, the **Community President** continued to be on our side and said he would write a letter of support for our development.

To gain that support I agreed to survey a larger area (all of those in the first group, as well as some other nearby owners)[29]. While it was a survey, it was also an explanation of the project, with the intent of finding out both the level of concern, and any recommendations for change or improvements. [The second time] an even larger number supported the proposal. It was through this process that we reoriented the development to put the all night donut shop near Bowness road, and we eliminated some of the uses I mentioned before.

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[28] According to my interview with the **Community President**, he too was unaware of their continued interest. As the **Legion Representative** suggested, their interest began in 1980. Eight years later they still did not have a proposal realistic enough to satisfy **AMHC**.

We had several negotiations with the planners, and they came out in favour of the proposal. Land use proposals also have to be reviewed by a Planning Commission [composed] of senior planners and two citizens. I received [their] unanimous approval.

After the community meeting, we found out about a petition against the development that we thought was instigated by the merchants sympathetic to the **Ward Alderman**. As a result we began a process of lobbying each ward alderman and the mayor. As well, we went back to those supporting the proposal and requested letters of support that would be attached to the Council agenda, and asked that some come to the public hearing to make a formal presentation.

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[29] Interestingly the **Community President** suggested we not bother with those who were not owners because he sensed they would have no interest. His insight was borne out when only property owners attended the community meeting.

The day of the public hearing we thought the vote would be close, but that we would win. Developers often use a tally of their lobbying to decide if they will continue with the process or if they will have it set-over, usually on some spurious ground. The hearing allows those involved the privilege of addressing council and making a five minute presentation. Because of the strength of the opposition, I arranged for one alderman, after the five minutes was up, to make a motion for an extension of my presentation. It lasted for nearly 40 minutes. Several of our supporters from the community also spoke, as did a few in the neighbourhood opposed to the proposal. During debate, one of the Ward Aldermen sought to discredit the 276 name petition by showing council how disparate the representation was. The whole process went on for about four hours. The first motion was made by the **Ward Alderman** to abandon the proposal. It lost on a tie vote (7 -7)[30]. One of those aldermen supporting us then moved that the proposal be accepted.

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[30] While there are 15 members of city council, one was away that day. The feeling was that if the one who was absent had been present, the **Developer** still would have lost because that alderman tended to favour neighbourhood over development interests.

That motion also lost because more debate failed to change any minds.

2.4 Conclusions

The purpose of this chapter was to summarize my preunderstandings of the "situation". A secondary aim was to broaden my perspective of the "situation" (the real) by asking those participants most involved about their remembrances. The broader purpose is to "inform" a new understanding of the ideal, the second phase of the hermeneutic spiral. In that regard, in Chapter 3 the preunderstandings of the real "situation" are used to seek a new conception of the real estate development process.

CHAPTER 3

The Real Estate Development Process: Analysis And Reconceptualization

3.0 Introduction

The hermeneutic spiral uses a real "situation" to inform the conceptions of the analyst. The purpose of the second phase of the hermeneutic spiral is to evaluate the existing conception and create, if necessary, a new abstraction that is adequate to inform the "situation". The purpose of this chapter is to first consider and then evaluate the existing conceptions of the real estate development process. The chapter begins by using Gore and Nicholson's recent review article as the basis for considering each conception. Then, because the existing conceptions are found wanting, a new conception is developed that seeks to distinguish the essential relations structuring the process (a kind of ideal) from the contingent factors impacting a particular "situation". In the early stages of this research, a recognition of the importance of this distinction came from two sources. First, an article published in **The National**

Interest asked whether the collapse of communism marked "The End Of History". The author used a type of dichotomous framework that, although not identical to the conception here, sought to distinguish "between what is **essential** and what is **contingent** or accidental in world history" (Fukuyama 1989: 3, emphasis mine). Revealing a similar kind of concern, a community activist from Calgary, Peter Chesson, when questioned about how he will direct the planning functions of his community association in the 1990's, commented that a prime task will be to increasingly differentiate "universally applicable [essential] development factors from unique [contingent] project centred ones" (Chesson 1992).

3.1 Analytic Approaches To The Real Estate Development Process

In 1991 Gore and Nicholson undertook a comprehensive review of the land development process (called here the real estate development process). They ordered their thinking by creating four categories:

1. **sequential approaches** that attempt to define the stages of the real estate development process;
2. **behavioural approaches** that focus on the activities of the participants rather than on the stages of the process;
3. **production based approaches** that consider the broad

economic forces impacting the process; and

4. **structures of provision approaches** that seek to come to grips with the social relations inherent in the process.

Each will be more fully examined vis-à-vis their assistance in helping to create an improved understanding of the "situation".

3.1.1 Sequential Approaches

Real estate developers, as practitioners, conceive the real estate development process as the production or manufacture of a building that requires the completion of a number of orderly stages. A site specific idea, stimulated by any one of a variety of factors but widely understood as "market demand", is "developed" through a process of project design, city planning approvals, financing, leasing, physical construction, and property management. It is a process of moving from an ideal conception (a vision) to a real one (a project).

However, developers' perceptions of the need to clearly define the stages vary widely. The Urban Land Institute's publication, the **Shopping Center Development Handbook**, fails to explicitly outline the real estate development process in a straightforward way. Some practitioners offer simple models. For example, Cadman and Austin-Crowe's (1983) four stage model (evaluation, preparation, implementation, and disposal) is orientated to those wishing a simple, direct approach to the real estate development process.

Miles et al (1991: 5) created an eight stage model of real estate development (Figure 3.1). What follows is an adaptation that seeks to demonstrate the movement from the ideal to the real:

Stage 1. an idea is formed - a developer looks for a need to fill;

Stage 2. the idea is refined - a specific site is found and the land optioned, a market confirmed, and a tentative design conceived;

Stage 3. the feasibility is determined - preliminary financial approvals are sought, and land use or development permit applications made;

Stage 4. the contracts are negotiated - commitments to financing, regulatory approvals and construction contracts are secured;

Stage 5. the building is constructed;

Stage 6. the "asset" is managed or sold.

This conception is adequate for the practitioner in understanding the things that have to be accomplished in order to create a development. It is also of benefit to the goal of this work because it is loosely based on the hermeneutic

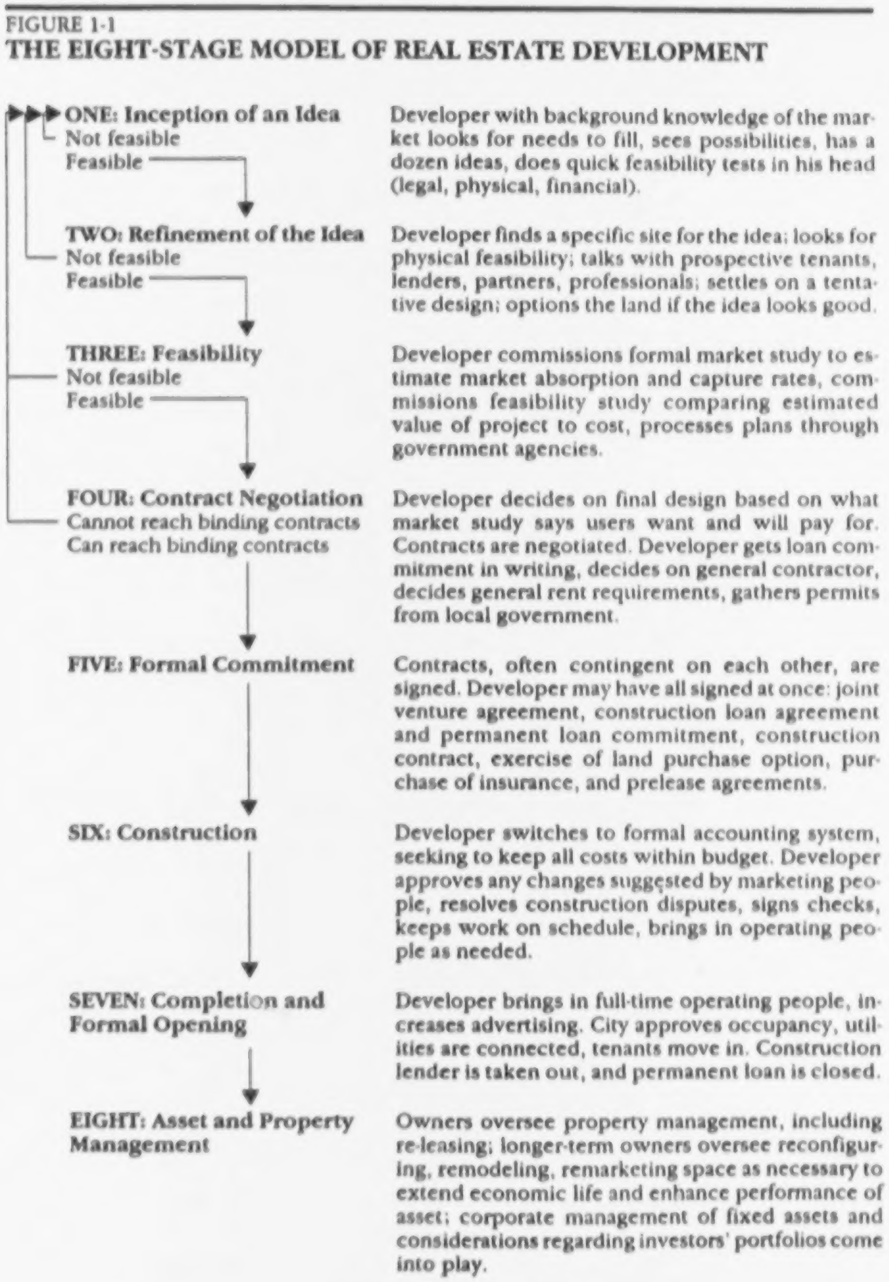


FIGURE 1-1

THE EIGHT-STAGE MODEL OF REAL ESTATE DEVELOPMENT

ONE: Inception of an Idea Not feasible Feasible	Developer with background knowledge of the market looks for needs to fill, sees possibilities, has a dozen ideas, does quick feasibility tests in his head (legal, physical, financial).
TWO: Refinement of the Idea Not feasible Feasible	Developer finds a specific site for the idea; looks for physical feasibility; talks with prospective tenants, lenders, partners, professionals; settles on a tentative design; options the land if the idea looks good.
THREE: Feasibility Not feasible Feasible	Developer commissions formal market study to estimate market absorption and capture rates, commissions feasibility study comparing estimated value of project to cost, processes plans through government agencies.
FOUR: Contract Negotiation Cannot reach binding contracts Can reach binding contracts	Developer decides on final design based on what market study says users want and will pay for. Contracts are negotiated. Developer gets loan commitment in writing, decides on general contractor, decides general rent requirements, gathers permits from local government.
FIVE: Formal Commitment	Contracts, often contingent on each other, are signed. Developer may have all signed at once: joint venture agreement, construction loan agreement and permanent loan commitment, construction contract, exercise of land purchase option, purchase of insurance, and prelease agreements.
SIX: Construction	Developer switches to formal accounting system, seeking to keep all costs within budget. Developer approves any changes suggested by marketing people, resolves construction disputes, signs checks, keeps work on schedule, brings in operating people as needed.
SEVEN: Completion and Formal Opening	Developer brings in full-time operating people, increases advertising. City approves occupancy, utilities are connected, tenants move in. Construction lender is taken out, and permanent loan is closed.
EIGHT: Asset and Property Management	Owners oversee property management, including re-leasing; longer-term owners oversee reconfiguring, remodeling, remarketing space as necessary to extend economic life and enhance performance of asset; corporate management of fixed assets and considerations regarding investors' portfolios come into play.

Figure 3.1: Miles et al. (1991: 5) Sequential Model Of Real Estate Development

spiral (the movement from the ideal of stages 1 to 3, to the real of stages 4 to 6). Presumably, once the asset is sold the stage is set for the generation of another idea.

A sequential approach is, however, an inadequate perspective for an analyst seeking to understand the social intricacies involved in a process. In contrast to the orderliness of the stages, the real estate development process, because of competing goals and the distinct personalities of the participants, is "messy". By providing only a cursory explanation of the myriad complexities inherent to an entrepreneurial process, procedural models like Miles et al. adequately explain "what is", but struggle to provide an understanding of "what could be".

Not all sequential approaches are designed simply for the practitioner. Some comprehensive sequential approaches have also been formulated to provide an examination of the real estate development process which are of benefit to the analyst. Ratcliffe (1978) uses a flow diagram (Figure 3.2) to achieve this aim:

> Certain activities may be portrayed as occurring in parallel or simultaneously; or alternative paths that a project may take through the process may be traced. Similarly, negative decisions can be included by paths leading out of the model (that is an abandonment of a

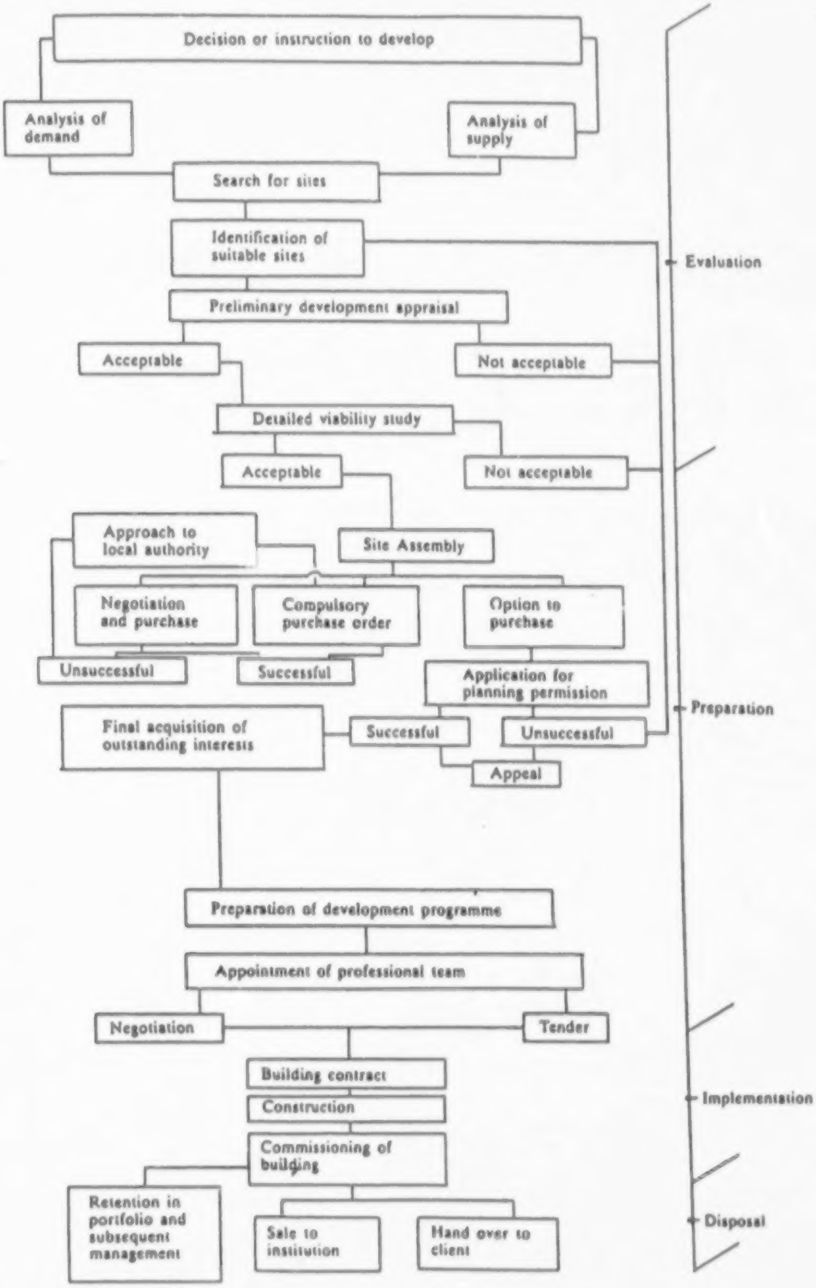

Decision or instruction to develop
Analysis of demand
Analysis of supply
Search for sites
Identification of suitable sites
Preliminary development appraisal
Acceptable
Not acceptable
Detailed viability study
Acceptable
Not acceptable
Approach to local authority
Site Assembly
Negotiation and purchase
Compulsory purchase order
Option to purchase
Unsuccessful
Successful
Application for planning permission
Final acquisition of outstanding interests
Successful
Unsuccessful
Appeal
Preparation of development programme
Appointment of professional team
Negotiation
Tender
Building contract
Construction
Commissioning of building
Retention in portfolio and subsequent management
Sale to institution
Hand over to client
Evaluation
Preparation
Implementation
Disposal

Figure 3.2: Ratcliffe's (1978) Linear Model Of The Development Process

> project), or back to an earlier stage (that is, reformulation); alternatively, external factors and feedback effects may be displayed (Gore and Nicholson 1991: 708 - 709).

Ratcliffe's linear flow diagram, like any scheme, trades off the adequate representation of a complex reality with the need to provide an easily understood model. This notwithstanding, because Ratcliffe's model has strong explanatory powers, other analysts have sought to improve upon it. In an effort to strengthen it, Barrett et al. (1978) transformed Ratcliffe's linear model into a cyclical one. Their "pipeline model" (Figure 3.3) attempts to deal both with the stages of the development process, and with the "principal external conditions".

Their model considers three sets of events:

1. development pressures and prospects - public sector constraints, and private sector aspirations;
2. development feasibility - all those events that must occur between identification of a site and commencement of construction; and
3. implementation - construction, disposal, management and use.

Gore and Nicholson (1991: 709) explain how the model works:

> This 'development pipeline' is envisioned as operating as a spiral, with a new pattern of

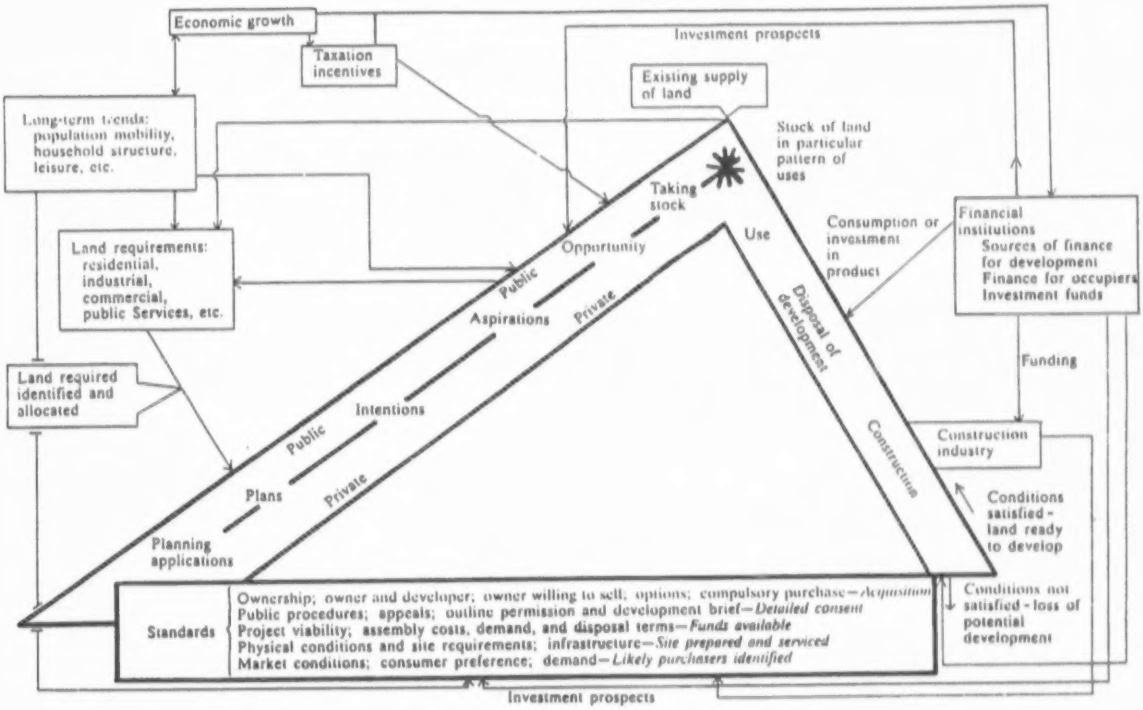

Economic growth
Taxation incentives
Investment prospects
Existing supply of land
Long-term trends: population mobility, household structure, leisure, etc.
Stock of land in particular pattern of uses
Taking stock
Land requirements: residential, industrial, commercial, public Services, etc.
Opportunity
Use
Consumption or investment in product
Financial institutions
Sources of finance for development
Finance for occupiers
Investment funds
Public
Aspirations
Private
Disposal of development
Funding
Land required identified and allocated
Intentions
Public
Construction
Construction industry
Plans
Private
Conditions satisfied - land ready to develop
Planning applications
Conditions not satisfied - loss of potential development
Standards
Ownership; owner and developer; owner willing to sell; options; compulsory purchase—*Acquisition*
Public procedures; appeals; outline permission and development brief—*Detailed consent*
Project viability; assembly costs, demand, and disposal terms—*Funds available*
Physical conditions and site requirements; infrastructure—*Site prepared and serviced*
Market conditions; consumer preference; demand—*Likely purchasers identified*
Investment prospects

Figure 3.3: Barrett et al's. (1978) Development Pipeline Model

development or land use emerging at the end of every cycle. This is intended to underline the fact that the development process is dynamic and that relationships between the different elements in the model may change over time.

This model has been widely accepted in the academic community (e.g. Pratt 1989). While it is comprehensive, and presents a suitable alternative to understanding stages of the real estate development process, it fails, as do all sequential models, to adequately address what is essentially structuring the participants. It provides a glimpse into understanding their actions but provides no method for distinguishing between which actions can be expected to be essential, and therefore assist in understanding the forces structuring participants, and those which are contingent, resulting in case by case variations. As such, their model does not adequately bridge the gap between analyst and practitioner.

To summarize, sequential approaches are most adequate when the purpose is to understand the stages of the real estate development process. As such, this work adopts a simplified version of Miles's et al. as a helpful means towards this end. However, because sequential approaches are largely created for developers, they place as secondary the viewpoints, relationships, and concerns of all other participants. They, therefore, provide only an incomplete understanding of a "situation".

3.1.2 Behavioural (Decision-Making) Approaches

A second way to understand the real estate development process is to focus on the role of the developer as the initiator of the process. This is the objective of behavioural approaches. Gore and Nicholson (1991) identify two subcategories of behavioural models: individualist and interactive. Individualist models treat participants as independent and autonomous, who, as a consequence, are assumed to act without reference to anyone else. In contrast, interactive models recognize that the development process is dependent upon the bargaining activities of all interested parties. Each approach will be addressed in turn.

3.1.2.1 The Individualist Models

Bryant et al.(1982) provide an example of an individualist model that focuses on the urbanization of land (Figure 3.4). It shows the primary (direct) and secondary (indirect) interests of the participants involved in each part of the real estate development process. While the main strength of this model is the way "it relates the decisions and events of the development process to the actors involved

	Nonurban use	Nonurban use with pressures for change	Urban interest seen in land purchases; land use is transitional	Active purchase of raw land	Active development	Active purchase of developed land
Primary decision agents	Farmer	Farmer Land dealer	Farmer Land dealer Developer	Developer	Developer Builder	Builder Households Industries Firms
Secondary decision agents		Financier	Financier	Financier Lawyer Realtor Planner Politician	Financier Lawyer Planner Politician	Financier Lawyer Realtor

Figure 3.4: Bryant's (1982) Model Of The Land Conversion Process

at each stage" (Gore and Nicholson 1991: 713), their conception suffers from an inability to identify more than one possible way that participants can interact. As a result, unrealistic limits are placed on the "range of action" of each participant.

Drewett (1973), in his individualist model, addresses the role of the developer in conjunction with other participants throughout the stages of the process. By focusing on the developer as the central participant in the real estate development process (Figure 3.5), he seeks to relate the activities of other participants to a seven stage sequential model (Figure 3.6). By definition, individualist models focus on one participant. As a consequence, this perspective is limited, and influences proceeding from the actions of the other participants are not addressed.

3.1.2.2 The Interactive Models

The second kind of behavioural model attempts to incorporate bargaining and consultation within the real estate development process. Interactive approaches are based on the premise that any decision in the development process affects other judgments. As such, most decisions are made only after negotiations have been held with other participants (Gore and Nicholson 1991: 716).

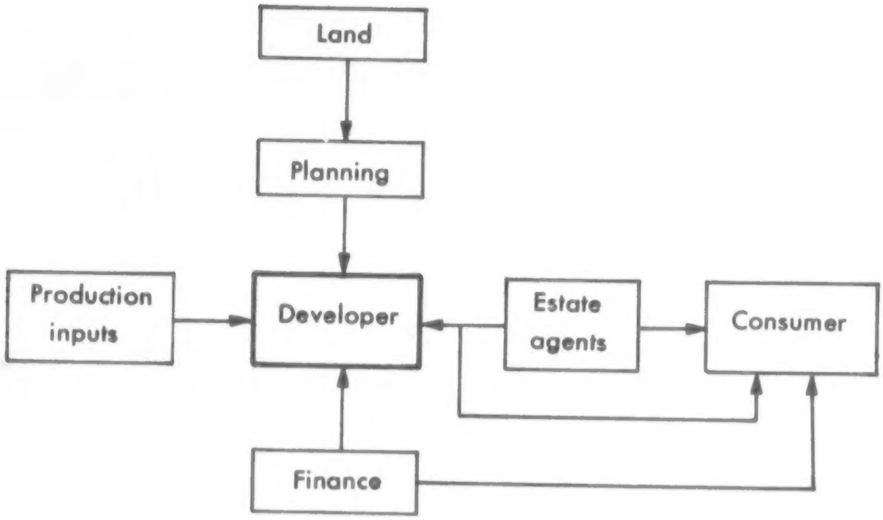
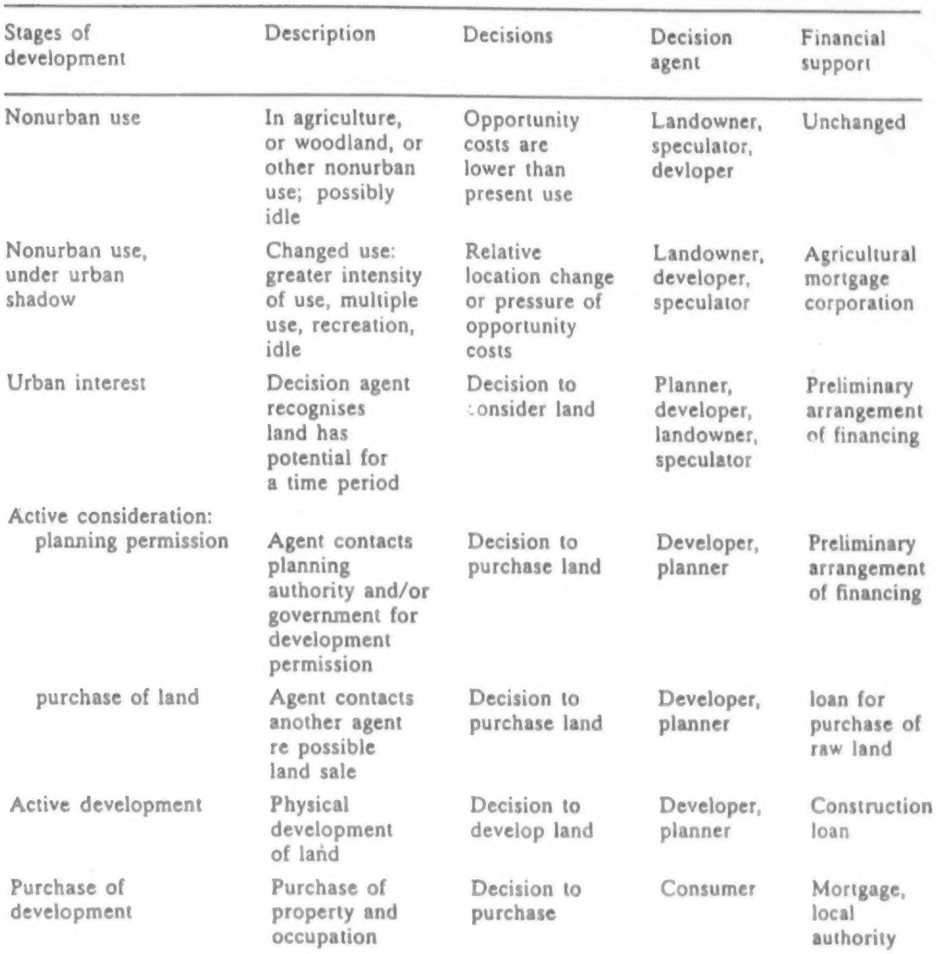


Figure 3.5: Relationships Between Participants In The Development Process (Drewett 1973)



Stages of development	Description	Decisions	Decision agent	Financial support
Nonurban use	In agriculture, or woodland, or other nonurban use; possibly idle	Opportunity costs are lower than present use	Landowner, speculator, devloper	Unchanged
Nonurban use, under urban shadow	Changed use: greater intensity of use, multiple use, recreation, idle	Relative location change or pressure of opportunity costs	Landowner, developer, speculator	Agricultural mortgage corporation
Urban interest	Decision agent recognises land has potential for a time period	Decision to consider land	Planner, developer, landowner, speculator	Preliminary arrangement of financing
Active consideration:				
planning permission	Agent contacts planning authority and/or government for development permission	Decision to purchase land	Developer, planner	Preliminary arrangement of financing
purchase of land	Agent contacts another agent re possible land sale	Decision to purchase land	Developer, planner	loan for purchase of raw land
Active development	Physical development of land	Decision to develop land	Developer, planner	Construction loan
Purchase of development	Purchase of property and occupation	Decision to purchase	Consumer	Mortgage, local authority

Figure 3.6: Participants/Stages Relationships In The Real Estate Development Process (Drewett 1973)

To demonstrate the conception of the real estate development process as one of negotiation, Barrett and Whiting (1983) first adopted the sequential pipeline model. They then examined the interactions of five principal participants: the developer, the financier, the builder, the consultant, and the bureaucracy. The result is a view of the real estate development process as a series of functions that bring together the resources - not only capital, land, and labour, but also professional skills and government services - controlled by each participant:

> development is a process of resource exchange between agents, usually with one kind of resource (for example power, or money) being exchanged for another (for instance, land planning consent). Thus, what happens in a particular development is only partly a matter of which actors are able to carry out which actions; it is also partly a matter of which actors actually want to do so. In this way the model covers not only the interests and objectives of the different actors, but also their attitudes to risk and reward. Hence the behaviour of actors whose work revolves almost exclusively around the development process is likely to be very different from those with economic interests over a wide area (Gore and Nicholson 1991: 718).

An approach which sees the real estate development process as one of negotiation has much to applaud. It acknowledges the stages that a project must go through (by using a sequential model), as well as seeking to understand the relationships between the participants.

Ambrose (1986) has attempted to improve on Barrett's interactive conception by focusing on three main "fields": the finance industry, the state, and the construction industry (Figure 3.7). The purpose of his model is to "set out the principal relationships that exist, between the three main fields and the agents themselves" (Gore and Nicholson 1991: 719). Although deficient because the model ignores the ongoing management and eventual sale of a development, it has a number of strengths:

1. it depicts clearly the relationships that exist between the participants in the development process;
2. it overcomes the problem of treating each participant as an individual with no limits to action;
3. it incorporates many parts of the process considered by other models to be external influences;
4. it may be applied to a full range of development processes;
5. it focuses on the entire system and gives an appreciation for the diverse nature of the development process...

> Unfortunately, however, the model's emphasis on the actors and their prescribed roles carries the danger that decisions are seen merely as the product of the

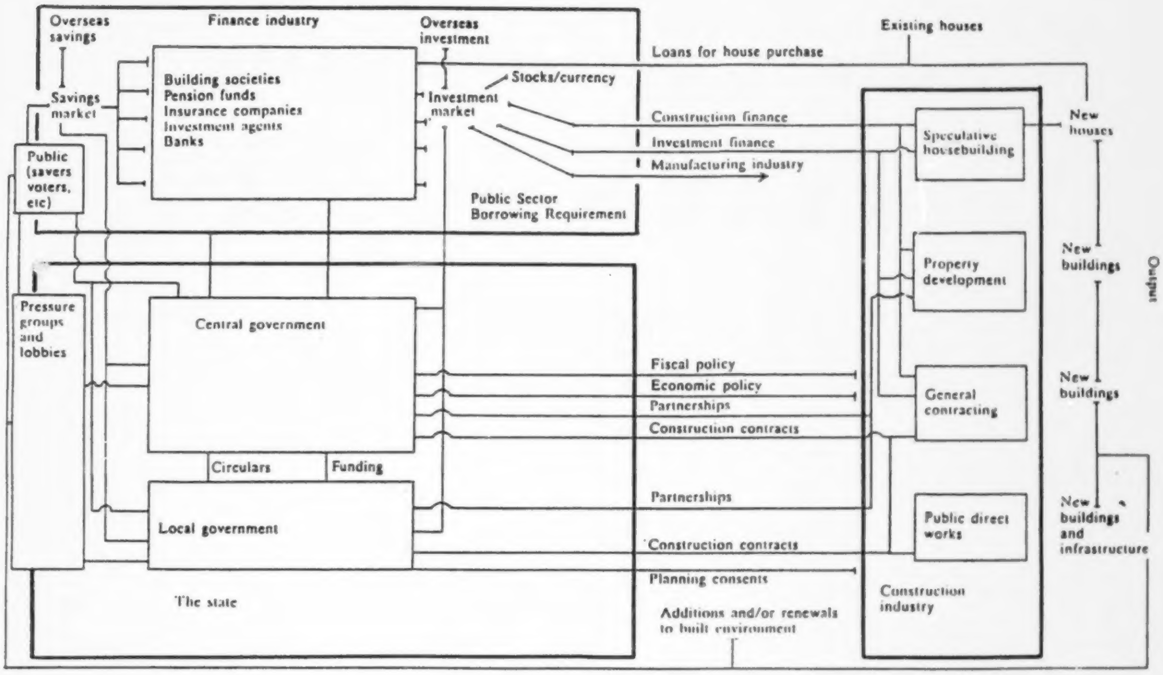


Figure 3.7: Ambrose's (1986) Interactive Approach

> function being performed, thus deflecting attention away from the factors or constraints that help to determine that a certain decision be taken in the first place. (Gore and Nicholson 1991: 719 - 721)

As a result, interactive models are not adequate for relating the analyst's conceptions to real, and messy, "situations".

3.1.3 Production Based Approaches

Production based approaches to understanding the real estate development process are focused at a macro scale. This conception is concerned with the broad economic relations inherent in the "production" of a development. It is highly abstract and of benefit to the analyst who seeks a perspective at a scale beyond that of the individual "situation".

One production based approach is founded in Harvey's Marxist critique of capitalism (Harvey 1978). His claim is that the creation of buildings is a specialized form of commodity production. Harvey's conception is shown in Figure 3.8.

For the analyst considering the essential economic relations driving the real estate development process, this approach is helpful. However, in this post Berlin Wall era with the demise of communism it is only a partial model. A conception is required that seeks to acknowledge the role of not just economic, but also social and political relations

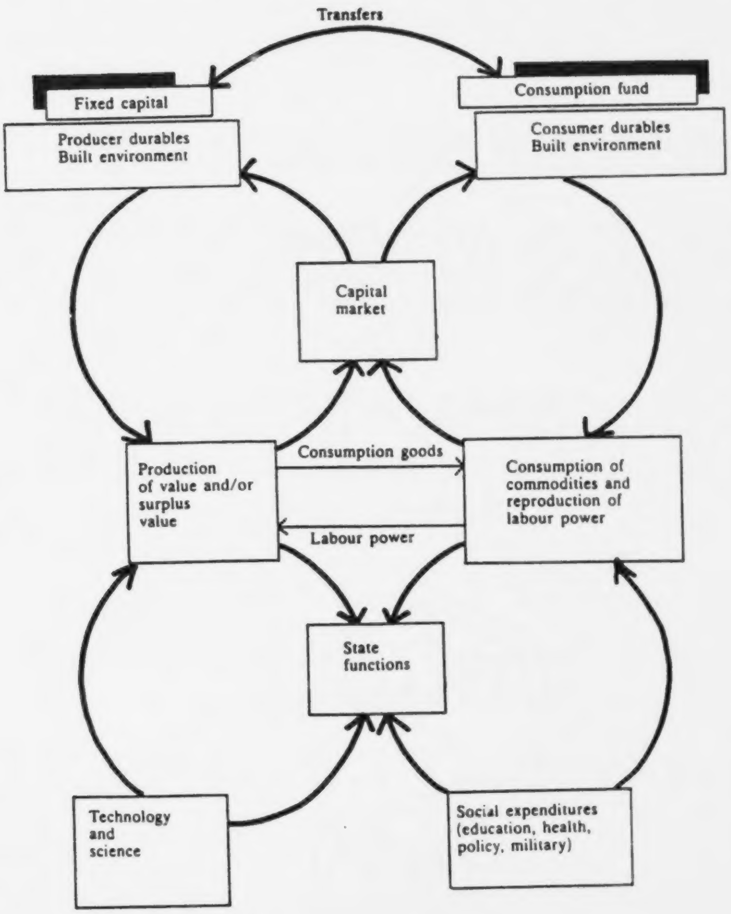


Figure 3.8: Harvey's Circuits of Capital (1978)

structuring the participants in a real estate development process.

3.1.4 Structures Of Provision Approach

The final conception considered by Gore and Nicholson is the "structures of provision" approach. It is most closely associated with the work of Ball (1986a, 1986b). Ball contends that each kind of development process requires its own model. An example of one structures of provision approach is shown in Figure 3.9.

In his model, the "provision" (production and consumption) of buildings is seen as being dominated by social relations. As a result Ball views the real estate development process as one which "involves the investigation of historically and geographically specific situations by means of a common set of theoretical propositions" (Gore and Nicholson 1991: 725 - 726). In doing so Ball makes five assumptions:

1. the development process is a series of interconnected social relations;
2. social agents are defined by their economic relationship to the physical process;
3. each type of development is characterized by a specific set of social relations that create separate structures

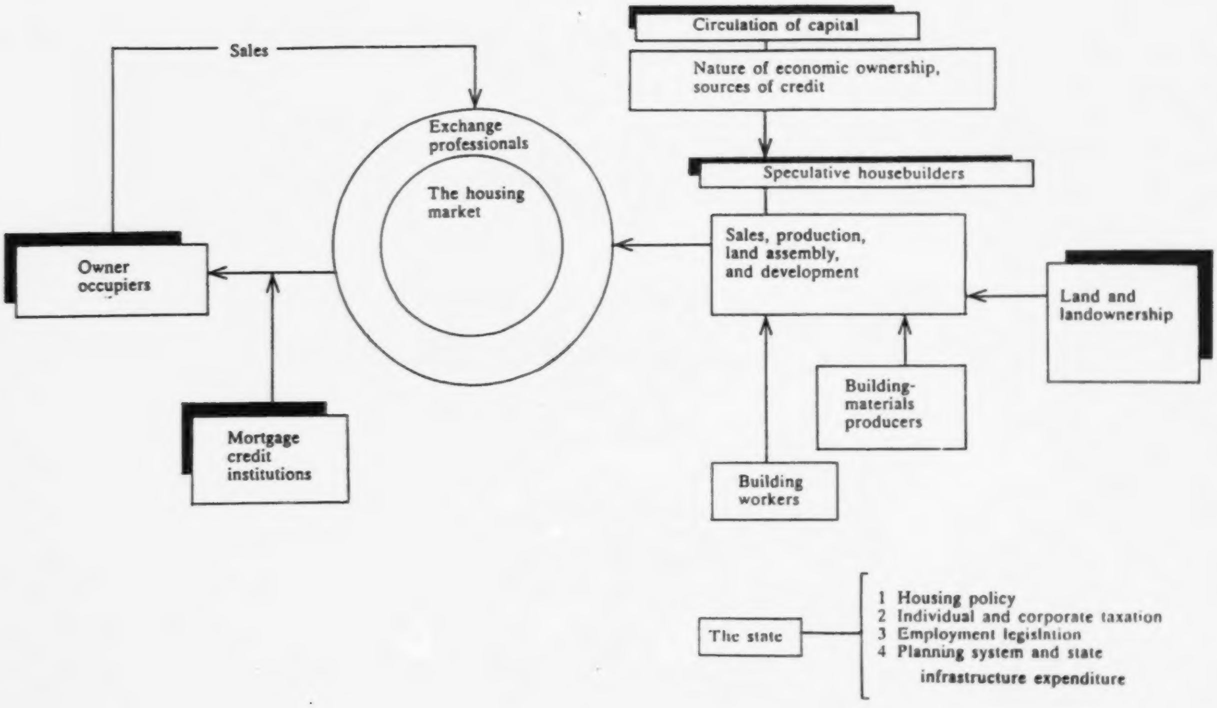

Circulation of capital
Nature of economic ownership, sources of credit
Sales
Exchange professionals
The housing market
Speculative housebuilders
Sales, production, land assembly, and development
Owner occupiers
Land and landownership
Building-materials producers
Mortgage credit institutions
Building workers
The state
1 Housing policy
2 Individual and corporate taxation
3 Employment legislation
4 Planning system and state infrastructure expenditure

Figure 3.9: Ball's (1986a) Structure Of Provision Approach

of provision;

4. the development process can only be understood by examining real world cases; and
5. the development process is intrinsically dynamic; internal change, as well as wider social, economic, and political processes affect it (Gore and Nicholson 1991: 726).

Commenting on his conception, Ball states:

> A structure of housing provision describes an historically given process of providing and reproducing the physical entity housing, focusing on the social agents essential to that process and the relations between them (Ball 1986a: 158).

There is much to commend in Ball's conception. His focus on the relations among participants is key. And, unlike the previous models, the structures of provision approach allows participants some "latitude of movement". It is the approach closest to this study's concern using the conceptions of the analyst, called by Ball "theoretical propositions", to inform "specific situations".

While Ball is interested in "social relations", his focus is on economics (#2 above). Other relations which may equally define the real estate development process for some participants are not as clearly defined. While Ball strives to distinguish between the essential parts of the real estate development process - those that "structure" it - and those parts of the process that are simply contextual and therefore contingent, he has not explicitly used a philosophical approach that would aid him in adequately making this kind of determination. In the balance of this chapter the ways that a determination can be made between the essential and the contingent will be advanced. In the following chapter the philosophical underpinnings underlying the necessity for such a determination will be explicitly stated.

3.1.5 Conclusions: The Need For A New Approach

While Ball's purpose is to seek a theoretical and an empirical understanding of the real estate development process, the purpose here, using the hermeneutic spiral, is to seek an analytical conception that is both influenced by the "situation" and informs new understandings. There is a need for a theoretical conception that satisfactorily distinguishes those factors structuring the real estate development process from those which affect each situation. Using Sayer's (1984) terminology, when a conceptual gap exists in the identification of the structures inherent in a process, the existing conceptions may be said to be "chaotically conceived"[1]. By seeking to understand the essential relations structuring a social process, the goal is to create a "rational abstraction".

3.2 The Essential Relations Structuring The Real Estate Development Process

Critical realism provides the philosophical basis to retroduce the essential relations structuring the real estate development process. It is speculated that three essential relations - economic, social, and political - structure the real estate development process and set the "limits to action" on each participant. To be structured by an essential economic relation is to seek maximum (individual) **profit**; to be structured by an essential social relation is to seek group entitlements (**justice**); to be structured by an essential political relation is to seek maximum (political) **power**. With respect to the participants in the process, developers are typically structured by profit, community members by social justice, and politicians by power.

In the frame of the ideal/real dichotomy presented in Chapter 1, the usual contention in determining the zoning for a real estate development proposal is between the ideal of social justice and the economic realities of a search for profit. Regarding the political relation, while individuals structured by political power may well seek power for their own ends, they are granted the responsibility by society to act as mediators between those individuals searching for profit and those groups (commonly) searching for justice. These three essential relations structure the real estate development process. They form not a dichotomy but a trichotomy[2]. Each will now be considered in turn.

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[1] A chaotic conception is an arbitrary understanding that attempts to divide something that is a unity (a whole) (Sayer 1984).

3.2.1 The Essential Economic Relation

As demonstrated by the production based approaches, the real estate development process is structured, in part, by an essential economic relation. Harvey's conception of the "circuits of capital" interacting to advance the broader economic system suggests that economics is a vital part of the real estate development process (Gore and Nicholson 1991: 721). Capitalist activities initiated by individuals "drive" real estate development. The developer may be expected to be structured by an essential economic relation. In other words, it is an essential economic relation that sets a developer's

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[2] As is discussed in Section 3.4 while the relations are trichotomous, the participants may be structured by a combination of the relations.

"limits to action".

Money is a (real) factor for all participants. Even those who are not structured by an essential economic relation will be influenced by it. While participants may be structured by either of the other two essential relations, all must deal, at some scale, with economic realities. For example, a government agency providing social housing (whose economic motivations are secondary) must secure some method of financing their projects within broader economic realities. It is just as true that those structured by an essential economic relation may be influenced by the other two.

3.2.2 The Essential Social Relation

The second essential relation structuring the real estate development process is the search for social justice. Harvey (1973: 97) provides a suitable definition of social justice as the "application of just principles to conflicts which arise out of the necessity for social cooperation in seeking individual [economic] advancement".

Unlike the economic relation where participants search through a variety of ways for one real commodity (profit), social justice is an ideal relation and is not so clearly delineated. For example, some groups may be structured by environmental concerns, and others by community values (e.g.

housing cooperatives). As society becomes increasingly pluralized and fragments into smaller segments, conflicts within this essential social relation, as to the most appropriate expression of social justice, arise (called here intra-relational conflict). Those involved in community affairs are those who are most likely to have their "limits to action" structured by some aspect of this ideal relation.

3.2.3 The Political Relation

The third essential relation in the real estate development process is political power. Banfield's definition of politics is adopted here: "Politics is the activity (negotiation, argument, discussion, application of force, persuasion, etc.) by which an issue is agitated or settled" (Banfield 1955: 303 - 304). This broad conception of politics is not restricted to those holding elected office. Rather, in the real estate development process, it may be adopted by any participant structured by power (a kind of politics). While not confined to elected officials, it can be expected that a politician's "limits to action", more than any other participant, is most commonly structured by this essential relation.

3.2.4 Conflict And Risk In The Real Estate Development Process

Although political power may mediate between the individual and the group, it is also true that it may seek to be dominant. As such, the three relations that structure the real estate development process are diametrically opposed: a trichotomy. Each relation seeks to be dominant[3]. This striving creates conflict among the participants.

The current acronyms N.I.M.B.Y. - not in my back yard, and L.U.L.U. - locally unwanted land-uses, reflect the kinds of conflict that commonly arise. The scenario is common. A participant concerned about a development proposal, be it the developer, ward alderman, or community group, lobbies[4] the municipal council mandated to make a decision between individual profit and social justice concerns. Their decision may just as easily exacerbate, rather than "solve" the dispute between participants.

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[3] As noted, and as is demonstrated in Section 3.5, individuals structured by an essential relation are often, in fact, structured by some combination of the three.

[4] Lobbying may be undertaken by all participants. For example, during a recent "situation" in Calgary an alderman complained, "what really disgusts me the most was the way my colleagues [other aldermen] lobbied me on behalf of developers" (Martin 1993: B1). In the situation to be analyzed here, the transcripts of the interviews reveal that the developer, the planner, the community president, the ward alderman, as well as concerned citizens all lobbied various members of council.

Another way to view the conflict engendered by the essential relations structuring the real estate development process is through the lens of risk. The traditional conception of risk in the real estate development process has been economic. A real estate developer creates value by buying a site at the "right"[5] price, designing a project that reflects the "highest and best" use, and securing "appropriate" zoning. Leases are then negotiated with "bankable" tenants, a development permit obtained that does not incur "excess" costs, and financing acquired at the "best" rate requiring the "least" equity. Finally, the "lowest" construction bid is obtained.

The risks in the real estate development process, however, are not simply economic. There are three essential relations structuring the real estate development process. There are also social and political risks. Each time a new development is proposed, those structured by the differing essential relations may find their position at risk. In addition to the risk of the developer losing capital, the politician risks losing political influence, and the community president risks losing a community's social cohesiveness. For those structured by social justice it is the perception of risk that often stimulates involvement. As a corollary, those who are not structured by one of the essential relations with respect to a particular "situation" will not perceive any risk, and therefore will not be involved.

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[5] The words in quotation marks in this sentence reflect economic risks inherent in the process.

3.3 A New Conception Of The Real Estate Development Process

Figure 3.10 shows the relationship between the three essential relations that structure the real estate development process[6]. While three participants are traditionally seen as coterminous with the essential relations (politicians with power, developers with profit, and community groups with social justice) some participants can be expected to be structured by a combination of these three essential relations. As Allen and McDowell (1989) have demonstrated, landlords are structured by the interplay of two essential (economic and social) relations. They define six types of landlords along an economic/social continuum. At the extremes some landlords are structured by an exclusive economic focus (e.g. those who rent out their basement suite to help pay their mortgage), while others are structured by an almost exclusive social focus (e.g. a church housing society). In between the two extremes there are four additional types, the specifics of which are not important here, but which combine elements of the two essential relations.

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[6] This figure is called a **Reality Check Diagram**. It is more fully explored in Chapter 11.

Participants in the real estate development process will be structured by a combination of the essential relations. For example, a community president may either have political aspirations or be concerned with broader economic realities. To the extent that a participant is structured by a combination of the relations (perhaps a developer with a social conscience is not an oxymoron), the potential for conflict is reduced (the Zone Of Negotiation: Figure 3.10).

Conflict is greatest when participants are predominantly structured by one of the essential relations (the Zones Of Maximum Conflict). The more the participants are structured by one relation (e.g. profit), the less they can be structured by the other two (power or justice). Therefore, a participant highly structured by an essential economic relation can expect conflict with those structured by a political or social relation. For example, if a particular proposal is seen by the developer as having only economic benefit but by the community president as having only social costs, then conflict will result. This is called **inter-relational** conflict.

As noted, some conflict is **intra-relational**. Sometimes, participants structured by the same essential relation (e.g. profit) may be in conflict. For example, a developer and an

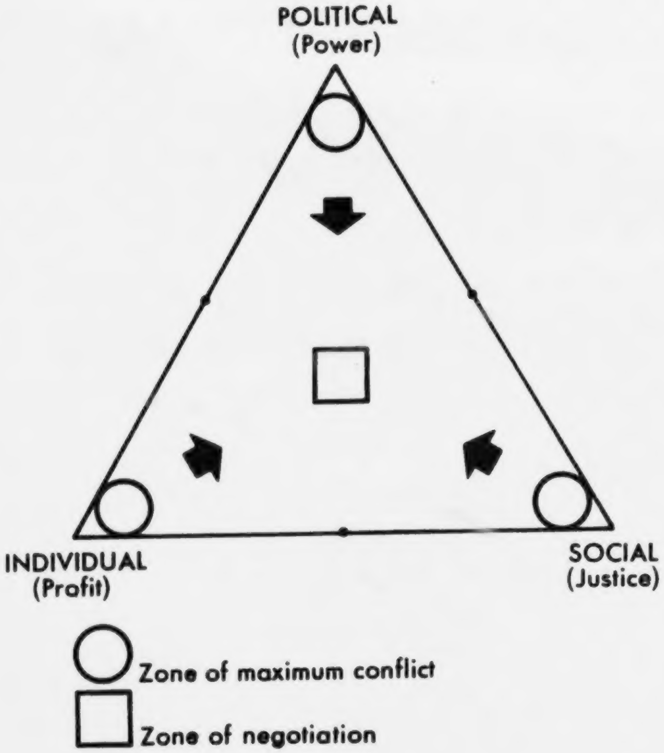

Figure 3.10: A New Conception Of The Real Estate Development Process: The Essential Relations

adjacent residential property owner may have a dispute over their individual desire to maximize property values.

3.3.1 The Mediation of Development Conflict

Society has provided three ways to mediate conflicts created by the clash of the essential political, economic, and social relations structuring the real estate development process. Conflicts between the essential political and economic relations are mediated by **urban managers**; conflicts between the essential economic and social relations are mediated by **externalities**; and conflicts between the essential political and social relations are mediated through **public participation**. Each factor of mediation is given its place on the essential relations diagram (Figure 3.11).

Each factor of mediation has been placed on the diagram based on those factors that are seen to structure it and provide its "limits to action". While it is acknowledged that planners, for example, mediate between participants other than developers or politicians, this is not how they are essentially structured.

3.3.1.1 Urban Managers

The exercise of absolute power, and the search for maximum profit, are mediated by **urban managers**. While the

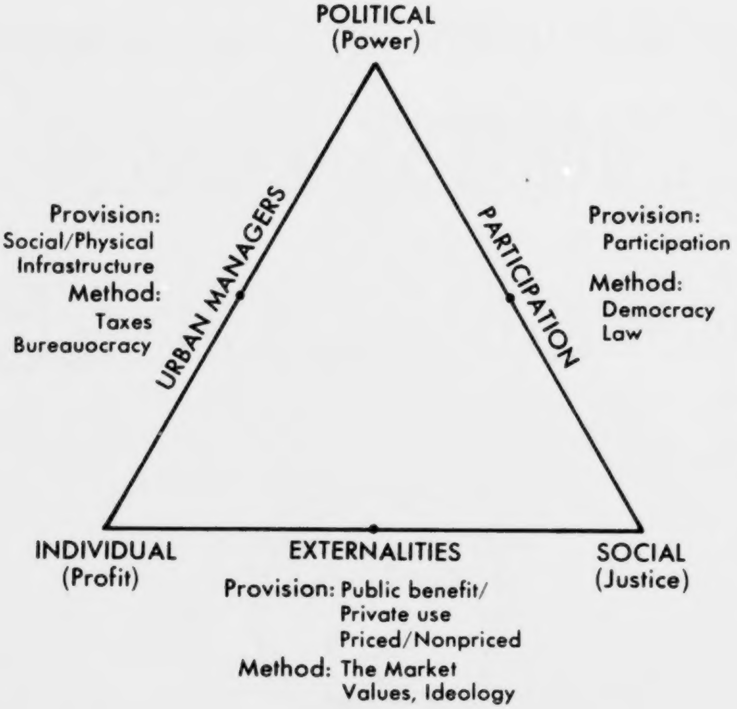

Figure 3.11: The Mediation Of The Essential Relations

focus of this work is on municipal bureaucracies (primarily planners), a broader conception of urban managers includes bank managers and real estate agents. Just as political power is defined more broadly than simply by elected politicians, so the term "urban managers" is often extended to all "gatekeepers". Those gatekeeping concerns that effect the real estate development process, but are not directly attended to by urban planners, include administration of the economy through the payment of taxes and the provision of both social and physical infrastructure.

For the purpose of this research, however, the term urban managers is restricted to planners who, with respect to the real estate development process, set policy, propose legislation and administer the law. As such, planners considering a particular real estate development process are structured in their practice by the real.

3.3.1.2 Externalities

In the real estate development process the search for individual profit (private use), competing with a vision of a society guided by social justice (public benefit), is mediated through **externalities**. They are typically defined as being **unpriced** "goods" (positive externalities) or "bads" (negative externalities) (Cox and Johnston 1982: 3).

Most existing conceptions of externalities are in the realm of ideas, ideology, and values. As such they have traditionally been an ideal conception. Increasingly, however, previously unpriced commodities are being priced (e.g. effluent and air pollution: Wheaton 1989, Stern 1991, Cybulski 1991). As a result, in the 1990's some externalities are being structured at the level of the real through the market system.

The consequence is that externalities are increasingly being used at two levels: the real and the ideal. In general, it can be expected that those structured by social justice will consider externalities as an ideal, and will stress notions like environmental protection, for example. In contrast, those structured by profit will consider externalities at the level of the real and will focus on site specific concerns.

3.3.1.3 Participation

Political power and social justice are mediated by public **participation** and democratic action. It developed as a result of the social unrest of the sixties and mediates conflicts between "top down" political power and "bottom up" social justice. As part of a process of democratic action it provides no particular claim to any special interest group.

The recognition of the need for participation has been institutionalized in provincial planning acts (e.g. The Alberta Planning Act 1977). That participation tends to be organized differently in each jurisdiction acknowledges its role as a mediator in the development process. Particular jurisdictions may structure their planning process as "favouring" social justice while others may "favour" the politician[7].

3.3.2 Summary Comments About The Factors Of Mediation

Urban managers, externalities, and participation mediate the essential relations of the real estate development process. These factors of mediation provide a way to both protect the structure and ameliorate conflicts between participants. They also provide a structure to mediate the wide variety of contingent concerns participants bring to the process. Society has developed these forms of mediation to "structure the contingencies", as it were. Each factor of mediation reflects a dominant or emerging societal value while also allowing for expression of the infinite variety of contingent relations that make each situation unique.

---

[7] Participants who claim that laws respecting participation are ineffective may be saying more about how they are structured vis-à-vis one of the essential relations, than they are about the laws governing participation.

To view the real estate development process as being structured by three essential relations, and to examine how the essential relations are mediated, provides a new way for the analyst to understand both the "limits to action" and the "range of action" of the core participants. By using realist notions, a new conception of the relational components in the real estate development process is achieved.

3.4 The Operation Of The Conception

This new conception of the real estate development process may be most effectively understood through a hypothetical example. The example, like this dissertation, is based on the proposed development of a shopping centre and the rezoning of a parcel of land to accommodate it. Three participants - the developer (l), the politician (P), and the community (S) - are considered. Figure 3.12 shows a positioning that accounts for the clearly differentiated political, economic and social factors structuring the three participants.

However, consider that each participant is also likely to be structured by a combination of the essential relations. In this first example the developer has not only economic concerns, but political ambition (to attempt to mitigate the power of the politicians) and a sense of social responsibility

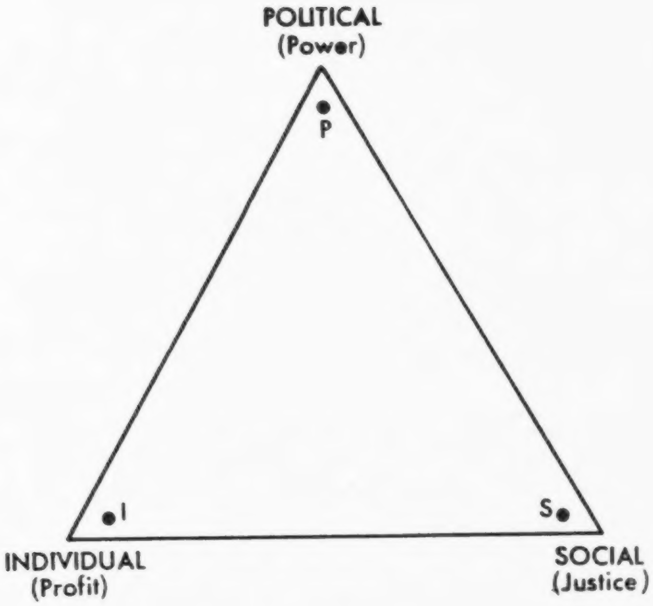

Figure 3.12: Structured Positioning Of Three Participants

(image of creating a more liveable city). As a consequence, the developer is structured at (l_1) (Figure 3.13).

In a like manner, the politician, while structured by power, has an equal concern with both the provision of new services and negative impacts on the local residents. As a consequence the politician is structured at (P).

From reviewing past decisions of the community association, it is noted that it seeks social justice through growth. While the costs of growth are recognized, it yet creates employment and stabilizes a city's tax base. As a consequence, the community is structured at (S_1).

Upon being presented with a new "situation", each participant may examine the unique factors to determine if their "range of action" should be increased. Assume that a strong majority of the community association have a desire for more shopping facilities. These desires of the broader community will over-ride the normal concern for the protection of the entire community from the negative externalities of noise and congestion. As a consequence, their "range of action" moves them from (S_1) to (S_2) (Figure 3.13).

The developer may, in response to the support from the community, actually agree to fewer concessions than would normally be the case in a situation with a greater amount of conflict. The result would be to increase the negative

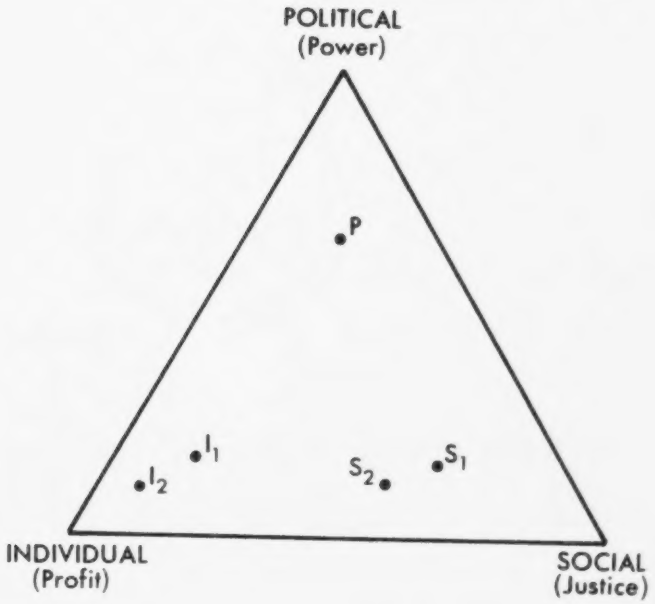

Figure 3.13: Hypothetical Positioning During A "Situation"

externalities for the community. As a result, the developer will realize more profit and will move from (l_1) to (l_2).

At this point the politician, after receiving information from the planners (Urban Managers) that the proposal meets normal planning criteria, and after a public hearing (participation process) that sees both developer and community agreed, recognizes no necessity to exercise power in favourof any one participant and would thus remain at (P). Because the community association and the developer were mediated by the same positive externalities, it can be assumed that the shopping centre will be developed relatively conflict free. With unanimity between the social and economic relations, the politician would support the proposal.

3.4.1 Time As A Contingent Relation

> Life, in particular economic life, is in a constant process of change, and, in consequence, the same action or event occurring at different times can lead to very different results (Galbraith 1992: 1).

All essential relations are influenced by a host of contingent relations. Examples include everything from the state of a participant's marriage to world trade talks. Of the many contingent relations that define a participant's "range of action", however, two that affect all participants are the passing of time and the "era" of a proposal. Regarding the former, as explained in Chapter 1, this approach recognizes that participants may take the opportunity to learn from every interaction throughout the process. A consequence of this view is that everything is in some way unique.

Respecting the latter, broad social trends impact a "situation". For example, Figure 3.14 shows the likely relationship of the same three participants during the early sixties when shopping centers were an emerging urban form, and were seen as important symbols of progress (Monitor 1990). In such a case all three participants were dominated contingently by an era when progress and shopping centre development were synonymous. The result of this was that instead of each participant having a "range of action" structured closely to each essential relation, they increased their range to include the variations brought on by a contingent factor (progress).

In the 1990's, development is undertaken in a new era. Rising environmental concerns have made the process of real estate development increasingly incompatible, and more similar to the disparate positions hypothesized in Figure 3.12. The participants structured as a factor of mediation must adjust to the new levels of conflict that now seem inherent to the process of real estate development. This is why some developers are seeking ways to price externalities, and some planners are seeking both a political role vis-à-vis the

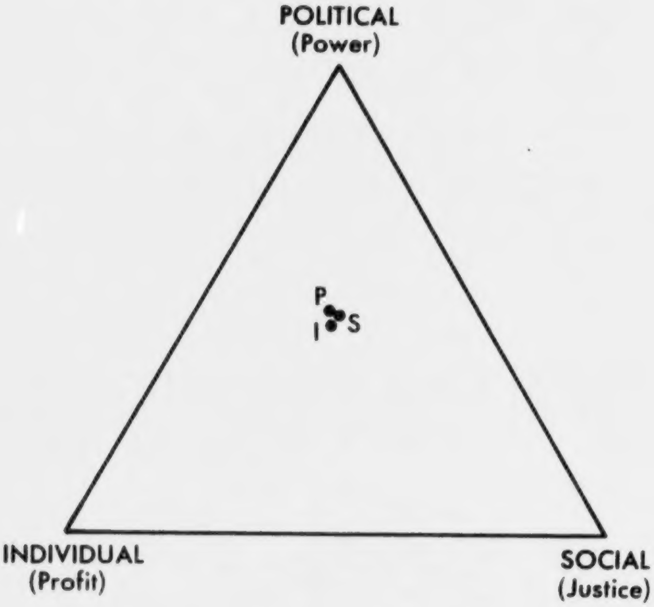

Figure 3.14: 1960's - All For One Scenario

politicians, and a negotiating stance vis-à-vis the developers. In this era of increasing pluralization, new forms of participation are emerging.

3.5 Conclusions

The purpose of this chapter was to review the existing conceptions of the real estate development process, and to judge their usefulness in aiding the understanding of a particular "situation". Two basic issues were addressed: the examination of the stages of the process, and the evaluation of the social relationships. The first part sought to understand the stages of the process from the conception of an idea to completion of a project. While there are a variety of procedural models, a simplified version of Miles et al. is created based on the movement from the ideal to the real.

However, the adoption of a procedural model fails to adequately address an individual's role in the process. It is, therefore, only a partial solution in seeking to understand the real estate development process. In an attempt to fill this void, behavioural and "structures of provision" approaches have been developed to deal with the impact of social relationships. While both attempt to deal with the myriad human factors that impinge upon the completion of each stage, they are deficient because they fail to differentiate between individuals structured by certain essential relations that place "limits to action" on behaviour, and the contingent relations impacting particular "situations".

In order to address this lacuna, a new conception of the social relationships inherent in the real estate development process was proposed. It is based on the retroduction of the three essential relations structuring the real estate development process, political power, social justice and individual profit.

These three essential relations are trimetrically opposed. Inter-relational conflict is the consequence. These are reconciled by three factors of mediation: externalities which mediates between social justice and individual profit; urban managers who mediate between political power and individual profit; and participation which mediates between political power and social justice. In contrast, intra-relational conflict is mediated often by negotiation.

To this point only a thumbnail sketch has been made of the retroduction of the essential relations and factors of mediation structuring the real estate development process. Also, there has been only minimal discussion of the philosophy underlying this approach.

While Chapters 5, 6 and 7 seek to fully retroduce each essential relation and each factor of mediation, Chapter 4 provides an explicit statement of the philosophical underpinnings on which a **Reality Check** is based.

CHAPTER 4

From Methodology To Method

The Conceptual Underpinnings Of The Reality Check

4.0 Introduction

Critical realism is fundamentally a methodology of reconceptualization. Its basic procedure is to retroduce essential relations as a way of "informing" reality[1]. While there are several authors who consider realist philosophy (e.g. Bhaskar), Sayer's (1984, 1992) **Method in Social Science: A Realist Approach** is the only source that seeks to develop a realist methodology in a way that is useful for developing a realist method, like the **Reality Check**.

This chapter has six sections. In the first section the basic methodological underpinnings of Sayer's realism are discussed. To provide a basic orientation the realist notion of structure is introduced. The goal is to provide a framework for the retroduction of essential and contingent relations. In the second section distinctions between methodology and method are made as a way to explore the **Reality Check** as a realist method. Then, in light of the realist notion of stratification of reality, four types of methods are reviewed. The purpose is to justify the selection of a method suited to the task at hand.

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[1] The goal of this work is to create a new method and use that method to understand a "situation". As a result the relationship of realism to other competing philosophies is considered tangential to the task at hand. For geographers a basic work that could be used to examine other philosophical positions is Johnston (1986).

The third section begins the process of moving away from Sayer's realism to an adaptation helpful for developing a method. It begins by seeking to provide a new way to retroduce essential relations, a discussion of dualisms. The **Reality Check** is fundamentally based on this notion. As part of this section the concept of "entire dichotomies" is introduced and the role of the continuum clarified.

At the heart of the **Reality Check,** as a realist method, is the search to differentiate between two kinds of relations, the essential (a kind of ideal) and the contingent (a kind of reality). In the fourth section the conceptualization of these two notions is made explicit.

In the final two sections two ideas are introduced which will have relevance throughout the balance of the work. In Section 5 the **Reality Check** as part of critical science will be explored vis-à-vis a focus on process. In the final part of this chapter, Section 6, a realist conception of place is presented. The purpose is to make clear the kind of conception of space implicit in the **Reality Check**. The distinction between an absolute and relative (process oriented) view of space is not only important to this **Reality Check**, but is also representative of a type of distinction that will be made throughout the work. For example, in Chapter 6 there is a similar distinction made between an absolute and a process oriented conception of economics.

4.1 The Methodological Underpinnings

Realists seek to understand the social world behind events. They hold that social structures which are not readily observable underlie overt behaviour **and have to be identified**. The identification of social structures is the realist's process of abstraction. It may be compared to Anthony Giddens' structuration theory which is concerned with the "intersection between human agents and wider social systems" (Johnston 1986: 459 - 469). The approach, however, should not be confused with either structural functionalism (based on the writings of Talcott Parsons) or structuralism (based on the writings of Claude Levi-Strauss and Jean Piaget).

In 1948 Wild formulated realism, a common sense appraoch (Lloyd 1986) into an epistemology. He defined realism as a "belief in a world of real existence which men have not made, and yet which can be known by the human mind, and is the only reliable guide to human conduct" (as quoted in Chappell 1991: 229). Realism is propelled by a "simple concern with affirming the existence of a world outside the mind - that is, with reaching beyond mere perception toward the ultimate objective truth" (Chappell Jr. 1991). It is not a social theory like Weber's, or neoclassical economics (Sayer 1992: 4). Rather, realists recognize a social world that is structured, differentiated, and changing (Bhaskar 1989: 2). Realism's essence lies in the **movement** (the hermeneutic spiral) "from knowledge of manifest phenomena to knowledge of the structures that generate them" (Bhaskar 1979: 17).

By incorporating a notion of "movement", realism addresses the nature of change inherent in social relationships. As a methodology it seeks to provide a way to develop methods that use a conception of the ideal[2] "informing" the real: "I believe that realism and the question of method remain very much on the agenda and that there is still far to go in developing a constructive discussion of method informed by realist philosophy" (Sayer 1992: ix).

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[2] The concern is not so much with idealism as a philosophy, but with an ideal image as an expression of a stratified reality (see Section 4.1.4).

4.1.1 The "Nature" Of Realism

The first task in the development of a realist method is to clearly delineate those features of realist philosophy that will aid the analyst in the process of (re)conceptualizing a social process, like the real estate development process. A useful place to begin will be to outline the eight "signposts regarding the nature of realism". To quote from Sayer (1992: 5 - 6, emphasis mine):

> 1 The world exists **independently of our knowledge** of it.
>
> 2 Our **knowledge is** fallible and **theory-laden**. Concepts of truth and falsity fail to provide a coherent view of the relationship between knowledge and its object. Nevertheless knowledge is not immune to empirical check, and its effectiveness in informing and explaining successful material practice is not mere accident.
>
> 3 Knowledge develops neither wholly continuously, as the steady accumulation of facts within a stable conceptual framework, nor wholly discontinuously, through simulations and universal changes in concepts.
>
> 4 There is **necessity in the world**; objects - whether natural or social - necessarily have particular causal powers or ways of acting and particular susceptibilities.
>
> 5 **The world is** differentiated and **stratified**, consisting not only of events, but objects,

including structures, which have powers and liabilities capable of generating events. These **structures** may be present even where, as in the social world and much of the natural world, they do not generate regular patterns of events.

6 **Social phenomena** such as actions, texts and institutions **are concept-dependent.** We therefore have not only to explain their production and material effects but to understand, read or interpret what they mean. Although they have to be interpreted by starting from the researchers own frames of meaning, by and large they exist regardless of researchers' interpretations of them. A qualified version of 1 therefore still applies to the social world. In view of 4 - 6, the methods of social science and natural science have both differences and similarities.

7 Science or the production of any other kind of **knowledge is a social practice**. For better or for worse (not just worse) the conditions and social relations of the production of knowledge influence its content. Knowledge is also largely - though not exclusively - linguistic, and the nature of language and the way we communicate are not incidental to what is known and communicated. Awareness of these relationships is vital in evaluating knowledge.

8 **Social science must be critical of its object.** In order to be able to explain and understand

> social phenomena we have to evaluate them critically.

These signposts provide the basis for the development of theory, which is the conceptualization of a new method.

4.1.2 Theory As Conceptualization

Theory has three common uses in social science (Sayer 1992: 50):

> 1 Theory as an **ordering-framework** which permits observational data to be used for predicting and explaining empirical events.
>
> 2 Theory as **conceptualization**, in which `to theorize' means to prescribe a particular way of conceptualizing something.
>
> 3 Theory is also often used interchangeably with 'hypothesis' or 'explanation'. (Sayer 1992: 50)

Most researchers using the analytic-empirical conception consider theory as either an ordering framework (1) or as a hypothesis (3). In many instances the two notions are used interchangeably.

While not ignoring the large body of work of this elastic term (e.g. Harvey 1969), suffice it to say that for the realist, ordering and hypothesis give way to conceptualization as the basis for creation of theory. Realists believe that the process of theorizing is one of reconceptualization. The realist goal is to develop new conceptions as a way to seek to understand real "situations". This is possible because realists claim that the real world has an underlying order, evident in structures.

4.1.3 Structure

A concept integral to realism is that the physical and the social world are both structured by things that are essentially related, but not directly observable. Bhaskar claims that structures are the "underlabourers of reality" (Bhaskar 1989: vii). For example, in the physical realm gravity, in spite of its relatively recent "discovery", has always structured all activities on the earth.

In a similar way social processes are structured by essential relations that are independent of our knowledge of them. As Allen and McDowell (1989) have shown, landlords are not structured by the obvious (e.g. the amount of wealth they have amassed or the number of properties they own), but are structured by their attitudes about satisfying individual (economic) as compared to social (justice) concerns. While some landlords are structured by an essential economic concern (the quest for profit), others are structured by essential social concerns (the desire to house the poor). They have also found that some landlords are structured by a combination of social and economic concerns (a continuum)[3].

4.1.3.1 Essential And Contingent Relations

To be essentially related is to be internally connected by some fundamental underlying structure[4]. It is to acknowledge that there is some internal quality which defines relationships. For example, the underlying relation between husbands and wives is commitment, between slaves and masters is ownership, and between landlords and tenants is rent. For the process of real estate development, it is conflict.

Because essential relations are internal, they can be expected to **structure** the deeds of a participant and set their "limits to action". For example, given that an essential economic relation structures a particular developer, it is difficult to conceive what events or experiences would move that person to emphasize social concerns (understanding that the potential reality for entrepreneurs is bankruptcy, not the provision of long term subsidized rents).

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[3] Distinctions between dichotomies and continuums will be more fully discussed in Section 4.3.3.

[4] Realists are not concerned with formal relations (ones due to similarity - like those attributes shared by the residents of an apartment building), but rather are concerned with substantial relations (ones dealing with interactions - like those in a community). Substantial necessary relations may be either **symmetric** (internal for both social objects - like landlord and tenant), or may be **asymmetric** (internal for one of the parties, and external for the other - like the relationship between politician and elector).

A participant's "range of action" - events or experience external to the structure - is restricted by these essential relations. Because these relations are external to a structure - that is part of the context of a situation but not part of what essentially structures it - they are said to be contingent. Sayer (1984: 82) explains contingency this way:

> The relation between yourself and a lump of earth is external in the sense that either object can exist without the other. It is neither necessary nor impossible that they stand in any particular relation; in other words it is contingent[5]. It may nevertheless be possible for one object to affect the other - people may break up lumps of earth or be buried beneath them -but the nature of each object does not depend on its standing in such a relation. By contrast, the relation between a master and slave is internal or necessary, in that what the object is is dependent on its relation to the other; a person cannot be a slave without a master and vice versa. Another example is the relation of landlord and tenant; the existence of one necessarily presupposes the other.

As a result, each "situation", while structured by essential relations common to a general process, is unique because of the contingent relations impacting each participant.

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[5] "Note that this sense of contingent is quite different from that common in everyday uses where 'contingent upon' means 'dependent upon'" (Sayer 1992: 89).

4.1.4 Stratification

Not only is the social world structured, it is also stratified. This has two implications. First, what is an essential relation at one level may be a contingent relation at another. For example, what is an essential economic relation for an individual may well be a contingent relation for a nation. The real estate development process, which has a structure based on three essential relations, is, however, also impacted by three kinds of contingent relations, which themselves form a structure at a lesser scale.

Each structure is part of the "stratification of reality" and is related through structures (also sometimes called mechanisms), events, and experiences. As shown in Figure 4.1, **structures** exist in the real domain but cannot be directly observed; **events** are observable as particular manifestations of the structures; and **experiences** are the individual outcomes of events (Johnston 1989: 57 - 58).

For example, the discovery of gravity (the **structure**) was necessary to truly understand many of the **events** and **experiences** in the natural world. Likewise, it can be expected that the underlying essential relations (the

	Domain of real	Domain of actual	Domain of empirical
Mechanisms	*		
Events	*	*	
Experiences	*	*	*

Figure 4.1: The Domains of the Real (After Bhaskar 1975: 13)

structure) in the real estate development process, although not immediately evident, affect the events and experiences that create an impact upon the individual (at a lesser scale) and the urban landscape (at a greater scale).

4.2 From Methodology To Method

Methodologies arise out of philosophical positions, and as a result either implicitly or explicitly support a particular view of the world. They are systems of "rules and procedures which indicate how research and argument are to be conducted" (Johnston 1986: 5). Methodologies are a way of understanding what is true. In turn, to know that something is true is to know and accept its method, the way of doing something. "One accepts that a statement is true only because one accepts that the method of establishing its veracity is valid" (Johnston 1986: 19).

Sayer has written most widely using realist methodologies (e.g. Sayer 1981, 1985, 1989, 1991), and an increasing number of geographers are adopting realist methodologies (e.g. Allen 1983, Allen and McDowell 1989, Ury 1982, Sarre 1987, Lawson and Staeheli 1990). However, as Sarre (1987: 3) suggests, the formulation of "practical methods" derived from realist methodologies remains underdeveloped. Based on this distinction, Sayer's **Method in Social Science** is methodological:

> I shall therefore take a broad view of 'method' which covers the clarification of modes of explanation and understanding, the nature of abstraction, as well as the familiar subjects of research design and methods of analysis. The terrain of the discussion is therefore the overlap between method, social theory and philosophy of social science (Sayer 1992: 3).

A realist method is concerned more with the real:

> The term 'method', perhaps because of its lingering positivist associations, tends to conjure up an image of rigid methodological protocols - formal grids, as it were, capable of invariant application...[however, method] is not limited to a set of repeatable formula that fashion objects in their own image, it may also refer to a looser notion: a set of guidelines which outline how to critically analyze and re-work existing conceptions of social processes (Allen 1983: 26).

It is this perspective that has guided the development of the **Reality Check** as a method for seeking an understanding of "situations".

4.2.1 Seeking A Realist Research Method

As noted, reality is stratified. To understand each level requires different methods of research (Sitwell 1993: 334). Research at the level of **experience** should be conducted in the empirical domain, research at the level of **events** should be conducted through observation, and research considering **structures** cannot be accomplished through direct observation but must be done through retroduction. Sayer (1992: 236 - 237) has developed a typology of research methods. The first, **abstract theoretical,** seeks to establish the make-up and possible ways that social objects act. For the realist this is the retroduction of the essential relations structuring a social process.

The second kind of method focuses on the **concrete.** It is an intensive kind of research in the sense that it is concerned with understanding actual events. Characteristically explanatory, it focuses on real "situations" and highlights contingent relations. The third kind of method is based on the desire for **generalization** of events. It is extensive. It seeks regularities and treats events as simple. The **Reality Check** is not based on the search for generalizations of real events and does not seek regularities, two important characteristics of extensive research.

The fourth kind of method is **synthetic**. The goal is to explain major parts of whole systems by combining abstract and concrete research. It seeks synthesis of a wide range of structures, mechanisms, and events. For a realist, synthesis requires long term examination of the essential relations structuring a social process. Before synthesis of the real estate development process is appropriate, empirical research based on the essential relations structuring each participant, and the examination of a variety of "situations", would be required.

Aimed at understanding gained through the use of the hermeneutic spiral, the **Reality Check** combines both abstract research (the retroduction of the essential relations structuring the real estate development process) and intensive research (the examination of a "situation").

4.3 A Method For Retroducing Essential Relations

A method that combines abstract and intensive research requires the separation of structures, which can not be observed and are essential, from events and experience, which can be observed and are contingent. The essential relations structuring a social process must be retroduced. One approach to retroduction is to view social objects in terms of dichotomies. At a high level of abstraction some dichotomies are:

Society - Individual
General - Unique
Subjective - Objective
Thought - Action

Mental - Material
Mind - Body
Knowledge - Practice
Beliefs - Facts

These dichotomies are reflective of the ideal and the real. Thayer extends this notion. His dichotomous conceptualizations include (Thayer 1990: 2):

The Ideal Image		**The Real Image**
Fantasy	-	Reality
Pastoralism	-	Technology
Aesthetics	-	Function
Religion	-	Science
Philosophy	-	Politics, Economics
Meaning	-	Cost
Garden Paradise	-	Despoiled Environment
Past, Future	-	Present
Constancy	-	Rapid Change
Human Bonding	-	Fallible Human Nature
Home	-	Job
Recreation	-	Work
Personal Control	-	Social Control
Quality	-	Quantity

Thayer's distinction between the real and the ideal is worth quoting at length:

> The ideal image can be considered a construct of the individual's world-as-it-should-be. It is a self-generated image, with the individual at the center, or at least in control of relationships to the external world. It is an experiential, holistic image - a smooth continuum of the individual's internal world outward into a harmonic relationship

> with the most desired external world...the ideal image seems resistant to change... The ideal image is grounded in the nostalgic past but borrows occasionally from the utopian future...
>
> The real image can be constructed as the world-as we-know-it really exists. The real image is the external world outside our control, and is imposed upon us by the massive inertia of society. It is a world of the present, and it changes frequently and seemingly without reason, as in the stock market crash of 1986. It is a world often described to us in empirical data, such as Dow Jones averages, election results and mortgage costs... The real image relies on objectified, empirical structure as if it belonged to no single person but only to mass society. We must confront the real image of the world for our survival. We must get a job (make money), have shelter (buy or rent a house or apartment), and procure food (most likely by buying it). Each of these essential activities is laden with compromises from the ideal way we might want to obtain such necessities (Thayer 1990: 3).

With regard to both the general realist goal of constructing new methods as a basis for reconceptualizing social problems and processes, and the specific goal of reconceptualizing the real estate development process, these are important notions. **Ideal** urban images are usually expressed in terms of pastoralism and in urban forms like the suburbs and garden estates. In contrast, the **real** is most commonly expressed in terms of technology, and in urban forms like strip malls, gas bars, and deteriorating urban centres. Consideration of the ideal guides and directs the understandings of "what should be" while consideration of the real guides and directs the understandings of "what is".

4.3.1 Entire Dichotomies

In Western thought, and as a result in much social science, research tends to focus on one side of a dualism: analysts consider theory and practitioners consider practice. However, consideration of the "entire dichotomy" may provide a fuller understanding of the dualisms underlying social processes.

As a way of recognizing the notion of an "entire dichotomy", consider an example[6] of knowledge and practice. When a computer class is taught about a computer program, many students first acquire a broad based theoretical knowledge (the ideal). Subsequently, in an effort to learn how to operate the program students narrow their focus in order to establish a useful practice (the real). In doing so the goal of making a program operational often leaves students feeling like the theoretical knowledge they first learned is useless.

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[6] The example here acknowledges, but does not address, the educational psychology literature on how students learn.

Eventually, however, as the practice becomes more familiar, knowledge and practice become increasingly integrated. With such integration it seems that:

> connecting up the two dimensions becomes 'second nature' and we are then tempted to **forget** the dual relationship in which we stand as subjects so that we may imagine that we have acquired a 'stock of knowledge' without either material work or communicative interaction" (Sayer 1992: 25 - 26).

The problem Sayer identifies is that in establishing a practice, a constant awareness of the dual relationship of the entire dichotomy is necessary to achieve a full understanding. The result is the reification of something that is an active, ever-changing process. This tendency to meld dichotomies (in this case theory and practice), while "natural" in mechanical processes, is less helpful when seeking to understand social processes. The purpose of a **Reality Check** is to present a method, utilizing the hermeneutic spiral, where each side of the dichotomy is acknowledged and used in an effort to understand the other side.

4.3.2 Isolation Of Entire Dichotomies

If one uses dualisms, like those identified by Thayer, as a way to identify essential relations structuring a social problem or process, care must be taken to isolate the dichotomy because "the dualisms do not operate singly but in parallel, providing mutual reinforcement, so that in the vertical dimension... meanings or associations 'leak' from one term to the next" (Sayer 1992: 23) (e.g. knowledge conflates with belief, while practice conflates with fact). So, for example, it

> is tempting to argue that we need powerful, economical, general theories that identify and explain the major, extensive, common, important, necessary things [the ideal], rather than accumulations of descriptions of unimportant, particular, localized, contingent, unique details [the real] (Sayer 1991b: 284).

In fact we need both. One "informs" the other. A particular dualism must be carefully retroduced so that it is not used too broadly, ending up as simply a meaningless abstraction.

With this caveat in mind, using a particular dichotomy is helpful to the goals of developing a method like the **Reality Check** that seeks to understand a "situation". A focus on the ideal provides the basis for the development of theory (the retroduction of the essential relations), while a focus on the real is a way to provide an understanding of how contingent relations impact those participants structured by each essential relation. The **Reality Check** is a conceptual tool to ensure that through the hermeneutic spiral the "entire dichotomy" is used to provide new understandings.

4.3.3 From Dichotomy Comes Continuum

Consideration of "entire dichotomies" is a conceptually simple tool to assist in distinguishing between the essential relations structuring a social problem or process that define a participant's "limits to action", and those contingent relations which highlight a participant's "range of action". Often, however, relations are not completely dichotomous and are better understood as being a continuum.

For example, Matthews and Fairbairn (1994) retroduced that a globalization/specialization dichotomy is the essential relations structuring a "demalled retail environment. Upon further consideration, however, it became evident that these two essential relations were the extremes of an environment in which most retail types are combinations along a continuum" (see Figure 4.2).

4.3.4 The Retroduction Of Essential Relations

The identification of the essential relations structuring a social process is "an achievement that must be worked for" (Sayer 1992: 88). Discovered through a process of retroduction, the goal is to take existing conceptions of social problems or social processes and search for an

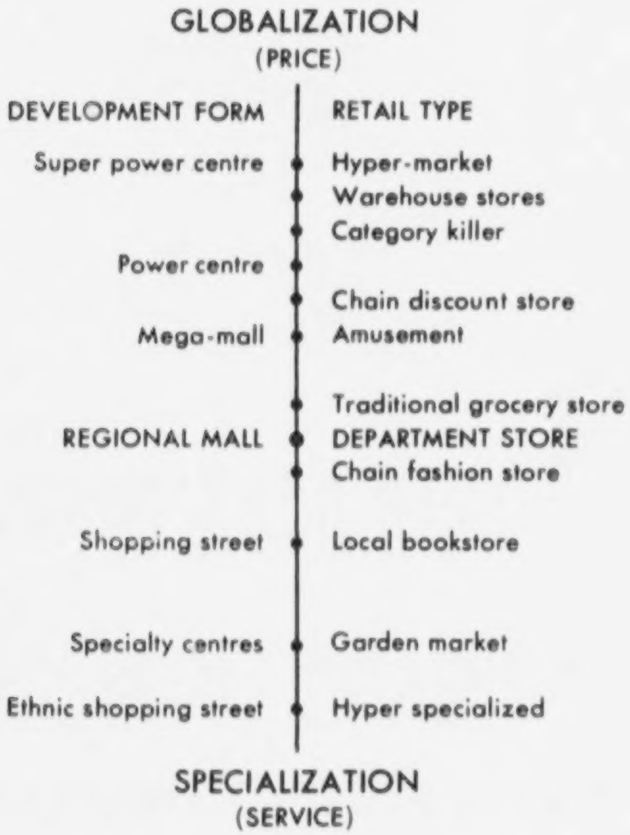

Figure 4.2: A Continuum Of The Retail Structure (Matthews and Fairbairn 1994)

underlying structure. It is a search for "rational" connections[7].

Allen (1983: 195 - 196) has provided a useful method for retroduction of essential relations. He outlines four steps. The first "involves the specification of the basic relationships of an object" through an examination of a concrete example (Chapter 2 of this work). The search is then begun for those relations internal to the process (Chapter's 3 and 4). The third step is to consider the sole conditions "under which it is possible for the relation to be given" (Chapters 5, 6 and 7). The fourth step is to specify the role that the essential relation fulfils for each participant (Chapters 8, 9, 10 and 11).

4.4 Limitations Of Research At The Level Of The Real

Once the essential relations structuring a social process are determined they are used to inform the real. This is the examination of the contingent relations. As noted, contingent relations intrude, as it were, from outside a structure. They stretch a participant's "limits to action" and seek to increase their "range of action". They are agents of change.

These forces of change have innumerable origins and may either come from other structures in a stratified reality or from the participants and their interactions with each other. So, while landlords are structured by an essential social/economic relation, the particular experience of individual participants (a landlord can be affected by a fire) or even all of them (all landlords can be affected by a common experience like a change in the income tax act) does not change the essential structures involved in being a landlord. Both experiences mentioned are contingent relations which do not essentially change the nature of "landlordness". Rather, such occurrences are part of a wide range of contingent factors that can cause conflict as a result of the stress put on a participant's "limits to action", the range of real movement an actor can reasonably be expected to attempt before the influence of others is accounted for.

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[7] For the realist, much social analysis is "chaotic" because it conflates essential relations with contingent ones.

4.4.1 Uniqueness Not Regularity

The real world is both messy and open. Each "situation" is unique. There are a wide variety of contingent relations impacting participants at the level of the real. Explanations are statements of uniqueness. They are not statements about regularity. "What causes something to happen has nothing to do with the matter or the number of times it has happened or been observed to happen and hence whether it constitutes a regularity" (Sayer 1985: 162). Concerns at the level of the real should not be about what a particular object *will* do (its limits to action), but rather about what an object *can* do (its range of action). As a consequence, generalizations should be confined to the essential relations structuring a process.

In a similar way any desire for prediction of events at the level of the real must be abandoned because prediction requires the reification of a participant's actions. While appropriate at the level of the ideal[8], prediction cannot be the goal of practitioners at the level of the real. Rather, the goal is to explain and to understand. To explain is to isolate "what is". To understand is to reveal "what could be".

4.5 The **Reality Check** As A Critical Realist Method

Critical theory is a tradition of social thought. It is concerned with the connections between individual action and social structures. Its objective is to identify relationships between the individual and society and seek restructuring through a process of self-reflection[9] (Johnston et al. 1985: 81).

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[8] Some may see necessity as a form of prediction because it makes assertions about particular relations, however, it is really a claim about what is *possible*, and not a claim about what objects *will* do.

Most realist examinations are critical. Like critical science generally, the goal of critical realism is to develop understandings, reduce illusion, and promote change. It is to take the "what could be" conception of the ideal as defined by the essential relations structuring a social problem or process, and use it to inform (understand) the real. Research which seeks generalizations of reality is often impotent because it reifies participants. That is, research is "done" on people as objects and reported to policy and decision makers in the hope they will respond as subjects. The focus is on gaining "knowledge" (about things and quantities) as a way to make generalizations, as a method to affect greater external and instrumental control. When studies, seeking knowledge and framed with instrumental purposes, provide information that is not satisfactory to the social engineers, the findings are either shelved or further study is called for. Sayer calls such research approaches "social engineering" (Sayer 1992: 253).

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[9] While critical theory owes its inspiration to classical Marxism, "in keeping with its critical intentions this debt was never allowed to degenerate into dogmatism" (Johnston et al. 1985: 81). In a similar way a **Reality Check** adopts a critical, but not a Marxist, perspective.

In contrast, the goal of a critical approach is understanding and "knowing". The focus is on **process** and **quality**. To focus on knowing is to fully acknowledge the interactions between participants, and to recognize that persons and institutions interact with each other, learn from each other, and adjust to each other. A critical perspective examines the real world with the intent to foster change.

4.6 The Impact Of Place On A **Reality Check**

While it is obvious that a particular real estate development process occurs on a specific site, it was during the initial analysis of this "situation", using network analysis (Appendix 1), that it became evident that the relationship between the participants and the site needed to be carefully considered. In a broad sense, geographers have tended to hold two views respecting the nature of space. The first, a "common sense" (**absolute**) view treats space as an "empirical entity" (Blaut 1961 as quoted in Johnston 1986). This means that space is **independent** of objects and therefore may either be empty or may be filled by locating objects within space (Sayer 1992: 147). It demonstrates the common tendency in our language to "speak of the effects or use of space" (Sayer 1985: 52). It is an adequate perspective only when space is considered in the realm of the ideal. Using such a perspective, space may be considered as a kind of participant who has relationships with the other participants. An absolute perspective was adopted during the network analysis.

Geographers' second conception of space is a **relative** one. Space is not an independent entity but is **dependent** upon participants and related to events. It is "bound to time and process" (Blaut 1961 as quoted in Johnston 1986). For example, Harvey (1973: 13 - 14) adopts a relational view of space that is dependent upon human practice. Space is:

> contained in other objects in the sense that an object can be said to exist only insofar as it contains and represents within itself relationships to other objects... The question 'what is space?' is therefore replaced by the question 'how is it that different human practices create and make use of distinctive conceptualizations of space?'

When retail developers speak of the "100% corner" they are adopting a relative view of space. A site's value is derived from the value of the place vis-à-vis a variety of economic social interactions. In a similar way commercial buildings have little value if vacant. This is because without social activity, the "improvements" on the land are not regarded by investors as having any worth. A relative view of space sees spatial activity as contingent, and not as an essential relation. It therefore, impacts the "range of action" of those structured by an essential relation, but not their "limits to action".

A relational conception of space sees place as dependent on social relationships. Places derive their meaning through social relationships and social processes.

> Places have at least six constituent values: location; 'ensemble' (integration of nature and culture); uniqueness, though within an interconnected framework; localized focusing power; emergence (within an historico-cultural sequence of change); and meaning (to human agents). (Johnston et al. 1986: 346)

Hiss (1990) provides one example of the ways geographers are examining notions of place.

4.7 Conclusions: A New Method

The purpose of this chapter was to use realist methodology to develop a method. A **Reality Check** is designed to be a critical approach to seeking solutions to intractable problems. The ideal part of a **Reality Check** examines "what could be". It is guided in its efforts by a search for dichotomies inherent to Western thought. Many social conflicts are based on opposition clearly reflected by dichotomies. The real part of a **Reality Check** seeks to understand a situation, "what is". This is accomplished through intensive research.

In sum, the **Reality Check** is a process of using the ideal to inform the real. It seeks understanding by focusing on "entire dichotomies". Most research methods that seek to solve problems or understand social processes neglect to explicitly recognize that dichotomies structure many social relationships. As a consequence they fail to examine the "entire dichotomy" and miss an effective way to find an understanding of a "situation". To examine the "entire dichotomy" is to undertake a **Reality Check**.

Now that the methodological base of a **Reality Check** has been established and the method developed, the next task is to more carefully retroduce the essential relations structuring the real estate development process.

CHAPTER 5

A Planning Perspective On The Retroduction Of The Essential Relations And Factors Of Mediation Structuring The Real Estate Development Process

5.0 Introduction

Now that the methodological approach has been established, each essential relation must be retroduced. To begin this process this chapter will provide a conceptual tool to assist in the retroduction of the three essential relations and factors of mediation structuring the real estate development process. Just as the **Reality Check** has an explicit philosophical position underpinning it, so too each essential relation and factor of mediation is underpinned by positions that facilitate different "kinds of questions".

To assist in the task of retroduction, a recent review article concerned with planning theory provides a suitable starting point. Harper and Stein's (1992) review is an adequate way to pursue the connection between planning theory and the retroduction of the essential relations structuring the real estate development process. At the end of this chapter their article will also be useful in considering the "critical" nature of a **Reality Check**.

It is helpful to use planning theory as a way into the retroduction of each essential relation and factor of mediation. Planning "arose from the commitment of social reformers (Friedmann 1987) and designers to create a good life for ordinary people (Klosterman 1978)" (Harper and Stein 1992: 105). In seeking to reflect this ethic planners, unlike real estate developers, have created an extensive amount of literature on the methodologies underpinning their work. This retroduction explores the obvious link between urban planning and real estate development.

As a way to consider the essential relations structuring the real estate development process, Harper and Stein (1992) begin by explaining how various planning theories were influenced by ethical theory. While the description of the ethical theories and their relation to planning is not germane here, Harper and Stein's discussion of substantive and procedural ethical theories raises a distinction that, like the one between an absolute and a relative view of space, will run through the retroduction of the essential relations and factors of mediation.

Substantive ethical theory "advocates actual normative[1] ethical principles and judgements", and is meant to judge the rightness or wrongness of "specific social institutions, actions, plans, policies, etc." (Harper and Stein 1992: 106). In this sense, the retroduction of each essential relation and factor of mediation structuring the real estate development process is done from a normative perspective with each being underpinned by a substantive ethical theory.

In turn, procedural ethical theory makes "recommendations about the process which should be followed in deriving and justifying ethical principles, and arriving at ethical conclusions" (Harper and Stein 1992: 106). As a method that seeks to understand a social process, the **Reality Check** adopts a procedural ethical perspective. This notion will be considered in the last section of this chapter.

5.1 The Retroduction Of The Essential Relations

Harper and Stein have made explicit the ethical theory underpinning each planning theory. Because there is a connection between planning and real estate development their examination aids the retroduction of the three essential relations structuring the real estate development process.

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[1] "Normative theory is aimed at broad interpretation of facts, ethics and history with the intent to justify standards of life, and to persuade people to change toward living closer to those standards" (Hill 1993: 54).

5.1.1 The Individual (Profit) Relation

The essential profit relation may be understood through an examination of a planning perspective based on a concern for the liberty of the individual. The Libertarian Planning perspective:

> supports and enhances the operation of the free market with its institutions of individual liberty, or private property, or self interested behaviour, and of contract. The sole legitimate function...is to protect individual rights and to redress past violations of rights. (Harper and Stein 1992: 113)

In sum, Libertarian Planning is directed towards the preservation and protection of existing economic structures, and the protection of the individual. With respect to the real estate development process, Libertarian Planning theory corresponds to the essential relation that focuses on an individual's desire to undertake, within the constraints proffered by the existing society, the pursuit of wealth, with limited regard for political or social consequences. Because the concern is financial, it is, vis-à-vis the ideal/real dichotomy, an essential relation that is very much a part of the real. In the real world, economic resources are risked and financial futures secured.

5.1.2 Social (Justice) Relation

The Radical (meaning Marxist) Planning Paradigm provides a perspective on the essential social justice relation. It is "part of the broader tradition of social mobilization - the great oppositional counter tradition which encompasses the social movements of utopianism, social anarchism, and historical materialism" (Harper and Stein 1992: 112). This paradigm rejects the basic structure of society and seeks to create an egalitarian social structure. In its purest view, "this tradition is the only one which can achieve social transformation...from the bottom up, from the grass-roots of the political community" (Harper and Stein 1992: 112).

It is this bottom-up perspective of social mobilization that defines the social justice relation. It is a concern for the "entitlements" of interest groups. In terms of the real/ideal dichotomy, the social justice relation is an ideal. It corresponds to notions of a "good life" (Harper and Stein 1992).

5.1.3 Political (Power) Relation

Political involvement in the planning process, and by extension the real estate development process, is most adequately expressed by Social Reform Planning Theory. It is a "grand tradition of planning theory...focused on making actions by the state more effective" (Harper and Stein 1992: 110). Social reformers are concerned with the public interest and believe it is obtained through "top down" political decisions. Consequently, with respect to the essential political relation structuring the real estate development process, power is the focus.

This third essential relation makes the real estate development process a trichotomy this essential political relation can be either real or ideal. When the political system relates to the real world of the economic (profit) relation, it often operates as a counter, that is, as an ideal. In contrast, when the political relation relates to the ideal world of social justice, it often does so in terms of the real. With power as the essential structure this dual relationship gives politicians a broad "range of action".

5.2 Planning Theory And The Factors Of Mediation

There are three factors which form a sub-structure to mediate between the essential relations structuring the real estate development process. As with each essential relation, each factor of mediation can be made explicit by reference to a planning theory.

5.2.1 Urban Managers

The Policy Analysis Paradigm is a planning theory which makes explicit the ethical position of urban managers.

> Policy analysis epitomizes the application of...value-free Weberian social science to improve decision making by the state. Its rational decision model supports the societal guidance actions which maintains the status quo...The planner is seen as a value-free means technician who deals with factual data but avoids... value questions (Harper and Stein 1992: 110).

Based on a policy analysis perspective, the planner, as urban manager, is a conservative professional seeking to maintain the status quo for individuals and the state. As "value-free technicians", they are defined by the real: "what is".

5.2.2 Public Participation

Public participation is a factor of mediation based on an ideal. It is expressed by a Progressive Planning Paradigm where the objective is to incorporate the interests of disadvantaged groups into a pluralistic society.

> Progressive planning seeks to advance the interests of these excluded groups by providing them with information, technical resources, and critical analysis. This includes the attempt to anticipate and correct 'systematic sources of misinformation',

> and the obligation to direct public attention towards distortions and injustices (Harper and Stein 1992: 112).

Because of its focus on "directing public attention", the progressive planning paradigm is based on the desire to provide a planning process that incorporates a perception of democracy. As an ideal it is a counter to the (real) policy analysis mode of the urban manager.

5.2.3 Externalities

Harper and Stein (1992: 113) suggest that controlling externalities is a prime focus of the Libertarian (Economic) Perspective. Externalities mediate conflicts between those participants structured by essential individual and social relations. Because those affected by externalities are increasingly seeking to price them, adoption of the libertarian perspective as a way to retroduce this factor of mediation seems appropriate. Like the essential political relation, externalities are, at the same time, expressions of the ideal and the real.

5.3 The Reality Check

Harper and Stein (1992) identify a seventh kind of planning theory, Social Learning. It is a procedural planning perspective. The goal of Social Learning is the integration of knowledge derived from experience. Its focus is on process, and its emphasis is on application.

Through a desire to integrate knowledge and experience, Social Learning is a kind of critical theory because it seeks the reduction of illusion and ignorance through a process of self-reflection. The goal is emancipation.

> The point of all science, indeed all learning and reflection, is to change and develop our understandings and reduce illusion...Learning, as the reduction of illusion and ignorance, can help to free us from domination by hitherto unacknowledged constraints, dogmas and falsehoods...The radical implication of this can be revealed most provocatively by asking what is wrong if researchers stimulate this potentially emancipatory change in others in the process of trying to achieve it for themselves? (Sayer 1992: 252)

Sayer's suggestion is that "researchers stimulate **emancipatory** change". Increasingly, however (e.g. Duggins 1991), emancipation - being free or liberated (Bhaskar 1989) - is being conflated with "empowerment" - "personal liberation from the powers of others" (Gerecke 1987: 10). To conflate enlightenment with empowerment is to deny other acts of conscious choice. It is to choose power as the sole object[2] of investigation (Diggins 1991: 15). Emancipation and empowerment are not the same. Emancipation's concern is freedom. Its route is through understanding gained by social learning. While empowerment may lead to freedom its route is, by definition, through power.

In terms of the essential relations structuring the real estate development process, empowerment is a political (power) relation that structures only certain participants. In contrast, emancipation is the goal of all participants seeking self-reflection and freedom. The distinction between emancipation and empowerment is important, therefore, because as a procedural conception the **Reality Check** not only reveals those essentially structured by power, it may also aid in the emancipation of participants. This is because the **Reality Check** is a method that considers "entire dichotomies". It is not a method that promotes any one essential relation. Quite the contrary, the goal of a **Reality Check** is to seek understanding through an adequate examination of all essential relations as a precursor to action. It seeks an understanding of what structures a social problem or process, providing a "knowing", and emancipates a participant to act freely on the basis of new understandings.

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[2] Gerecke complains that by turning verbs into nouns it "separates us from things, naming the thing and making it an **object**: "In full conscience, therefore, I must acknowledge that 'empowerment' as a thing concept may run the danger of its own disempowerment". (Gerecke 1987: 11)

5.4 Conclusions

Consideration of the contemporary planning theories is an adequate way to begin an examination of the essential relations and factors of mediation structuring the real estate development process. It also provides a perspective of a **Reality Check** as a type of procedural theory. In the next two chapters a substantive explanation of each essential relation and factor of mediation will continue the process of their retroduction.

CHAPTER 6

Retroduction Of The Essential Relations Of The Real Estate Development Process

6.0 Introduction

Now that various planning theories have provided a conceptual base for the essential relations and the factors of mediation structuring the real estate development process their retroduction can be commenced. First, however, because the focus of this "situation" concerns rezoning it will be helpful to provide an understanding of the nature of the land use regulation system as it relates to the real estate development process. To do so, some aspects of the meaning of property in Western society, and the nature of zoning will be considered. In the balance of the chapter the three essential relations of the real estate development process are retroduced, and some of the important contingent relations impacting each essential relation discussed.

6.1 The Nature Of The Land Use Regulation System

Perks and Jamieson (1991: 488) describe the city as being a combination of two artifacts. The first is two dimensional. It is the "subdivision of land into streets and their contiguous parcels of land". The second is three dimensional. It is the buildings that "rise upwards from the ground". While the developer's raison d'être is the creation of three dimensional urban spaces, they must first consider the two dimensional world of the planner and the zoning of land. Critical to understanding both of these artifacts are some basic understandings about the notion of private property.

6.1.1 Private Property

For the purposes here, and in tandem with the notions inherent in the two conceptions of space (the absolute conception of space as a thing, and the relative conception of space as the outcome of social relationships) discussed in Chapter 4, a fundamental concern for those considering the real estate development process is that the legal notion of property is often at odds with the common understanding.

> One obvious difficulty is that the current usage of the word 'property' is at variance with the meaning which property has in all legal systems and in all serious treatments of the subject by philosophers, jurists, and political and social theorists. In current common usage property is **things**; in law and in the writers, property is not things but **rights**, rights in or to things (McPherson 1978: 2).

Some consider property a "thing", an absolute view. Others consider property as rights. A rights perspective is a relative one for "different people might have different rights in the same piece of land" (McPherson 1978: 7). For example, one might have the right to revenue of the property (e.g. mineral rights or air rights) but not rights to the land itself.

As a result of some holding to a rights perspective:

> [the] meaning of property is not constant. The actual institution, and the way people see it, and hence the meaning they give to the word, all change over time...there is not only argument about what the institution of property ought to be [the ideal], there is also dispute about what it is [the real]. For when people have different expectations they are apt to see the facts differently. (McPherson 1978: 1)

Developers, whose notion of private ownership originated with "the rise of the full capitalist market society" (McPherson 1978: 2), are especially impacted by a relative notion of property rights. It affects their ability to make a profit. To protect their investment developers seek to make property as absolute as possible. Increasingly, they strive to counter the state's role as arbitrator and as claimant of rights for itself. For example, developers form "shadow governments" (like condominium boards) that are increasingly "dispersed, localized and privatized" (Garreau 1991: 186).

> These are governments by the wealthy, for the wealthy.... It is a plutocracy, not democracy...in times of tight public budgets, governments lose their independence. Transportation work is not necessarily done where the public most needs it. It is done where monied interests can have their priorities moved to the front of the line by putting up cash. With enough private money behind it, an interchange can be built not where it would best move traffic for the citizenry, but where it would best funnel potential customers into a development. (Garreau 1991: 201)

Shadow governments share three attributes: they can assess mandatory fees to support themselves (the power to tax); they can create rules and regulations (the power to legislate); and they have the power to coerce, to force people to change their behaviour (the power to police) (Garreau 1991: 187). Shadow governments are but one example of the changing nature of rights attached to property. Although developers strive to create an absolute notion of property, through using these kinds of mechanisms they are actually expressing a relative conception of property, legitimized through the legal process.

As McPherson noted, "when people have different expectations they are apt to see the facts differently" (1978: 1). In terms of a realist methodology, notions of property are often a reflection of how a participant is structured.

Some will view property as an ideal, rights to be protected, some will view it as a thing whose value is to be protected (Adams and May 1991) while yet others will view it as an expression of complex social relationships. Not surprisingly, conflict is often the result when there is a proposal for land use change.

6.1.2 Zoning[1]

The perspective of private property as an absolute right is related not only to the rise of capitalism where land became a commodity, but also to the abundance of land in North America where "everyone was free to do what he wanted... And that freedom certainly included control of the use of one's own land" (Abeles 1989: 122). Traditionally, the only limit on the use of land was the now 300 year old Law Of Nuisances, a legal principle that "prevented one landowner from using his or her land in ways that would interfere with the productive use of a neighbour's land" (Abeles 1989: 122). By the turn of the century, however, the failure of this law was evidenced by rising health concerns which spurred on the formulation of land use controls as a way of reducing the unhealthy effects of noxious industry.

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[1] Zoning is, in the terms of this work, a factor of mediation. This section, however, provides some important connections to the retroduction of the essential relations in this chapter.

Zoning became the most common land use control to deal with nuisances[2]. The goal is to minimize the negative ones and promote positive ones. It was implemented to "divide the community into a set of simple zones in which certain land uses were either prohibited or allowed" (Abeles 1989: 123). Zoning's rationale, as part of a comprehensive rational planning approach, was the control of the general patterns of development to prevent inexpedient or whimsical land use changes. Zoning's influence as a planning tool continued to increase. Today, zoning has been extended from the mere separation of land uses to include indirect taxation, and the protection of vistas and environmental areas among other things. Zoning substituted:

> collective neighbourhood rights for what had been individual rights. Government, in effect, served as the agent for the enforcement of these new neighbourhood property rights. The new collective property rights also were, in effect, the 'compensation' provided to the individual neighbourhood residents for the 'taking' of their individual rights that had occurred (Nelson 1989: 301).

Zoning became a method used by politicians to provide social benefits and redistribute property rights. As such, zoning is a factor mediating between the essential economic and social relations structuring the real estate development process.

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[2] The modern concept of nuisance is dealt with in Section 7.2.3 as externalities.

Although zoning began as a means towards the end of creating a comprehensive plan, soon however,

> the means became the end. Indeed, although the principal intellectual and legal justification for zoning since 1930 has been as a means to implement comprehensive planning, zoning has been much more effective at protecting existing neighbourhoods than in guiding new development according to some preestablished plan. (Stach 1987: 475)

It has ceased to simply be a means of comprehensive planning. "Planning has come to mean zoning" (Stach 1987: 474).

As the major tool[3] of planning, zoning aids individuals in their search for profit. Zoning is used to create or maintain exclusionary communities and protect existing investments. For example, zoning protects developers by maintaining or increasing a property's value. Business "interests happily discovered that zoning was stabilizing and essentially protecting the value of private property under the guise of regulating it" (Stach 1987: 475).

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[3] Besides zoning, planners have two other basic tools: subdivision, and site plan review (Abeles 1989: 125). In North America, subdivision of land was initially conceived as a way of protecting the value of farmland by ensuring access to roadways: "new farm land could not be created if it did not have the essential public access to maintain its value" (Abeles 1989: 125). From this came the concept of subdivision controls in urban areas (Abeles 1989: 126).

Site plan reviews provided a way for some amount of site control based on aesthetics. It is a notion developed after the Chicago's World Fair in 1893 where it was illustrated what could be done to increasingly beautify cities. Initially a tool to ensure that all subdivision and zoning standards were met, site plan review has grown to become a convenient way to control how a project looks. In Alberta site plan reviews are incorporated into the process of securing a "development permit".

Zoning also protects residential property values:

> Expecting to recoup their expenses and make a profit on the sale of their homes, residents reacted strongly to any zoning action that might potentially lower their property value. While the homeowner was a consumer of housing, he was also a producer in the "used" housing market, seeking stability and price appreciation for his neighbourhood so that he could move up to a more exclusive area with each change of residence. (Stach 1987: 476)

Not only does zoning seek to mediate externalities between those structured by essential economic and social relations, it also mediates externalities caused by property owners in close proximity.

Even those structured by political power seek to make use of zoning. Today, municipal governments are increasingly using zoning as an urban resource, one that allows a city to maximize its "economic return on the resources they control" (Stone and Saunders 1987: 3). Because "land is the main commodity that they have to wage the competitive battle with"

(Stone and Saunders 1987: 8), "cities are driven to create the development policies that will most enhance their economic position" (Stone and Saunders 1987: 4).

6.1.3 Summary

Whether through changing notions of private property or through the zoning regulations attached to land, the relationship between the individual and social rights of property are subject to continuous debate. Zoning is used as a planning tool to ameliorate these conflicts. One purpose of zoning is to control externalities between the individual and the group[4]. Another is the control of externalities between those individuals structured by the same profit relation. The conflict between the essential individual profit and social justice relations reflected in these two issues comprise an important background for the retroduction of the essential relations structuring the real estate development process.

6.2 Retroduction Of The Essential Individual (Profit) Relation

Based on a libertarian planning perspective that "supports and enhances the operation of the free market", the first essential relation to be retroduced pertains to the desire for individual gain. Gans describes individualism as "the pursuit of personal freedom and of personal control over the social and natural environment" (1988: 1). Those structured by an essential individual relation would claim not only personal but community benefits in their pursuit of wealth. They hold that nothing in the individualist's perspective "discourages community-regarding behaviour or promotes selfishness" (Neal and Paris 1990: 420).

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[4] As a way to secure social benefits (Nelson 1989: 312), some are calling for deregulation of the planning process to make zoning market driven (for example see Liebmann: 1991).

In contrast, those opposed to an individualist perspective claim that it is "atomistic", and produces a "peculiar view of the self, one divorced from the social relations which might constitute it" (Neal and Paris 1990: 419). While some criticize individualism on the basis that it promotes only "certain kinds of virtue and ignores others" (Neal and Paris 1990: 419), this is the case of all strongly held beliefs, and as an essential individual relation it structures a participant's "limits to action".

With respect to the real estate development process, individualism has a predominantly economic perspective. Gans (1989: 4) calls it "capitalist individualism[5]". It is best characterized as a belief in the unfettered workings of the market, and "the maximum public good through the dispersed and unregulated efforts of every private, self-seeking individual" (Mumford as quoted in Feagin and Parker 1990: 5).

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[5] "Capitalist individualism is mainly economic, and varies not only between entrepreneurs and corporate executives but also by the extent to which the goal is profit maximization, market control, or escape from government regulation" (Gans 1989: 4).

It is based on Adam Smith's widely accepted notion of the "natural" origins of the market. Ideally,

> the individual is totally free to act in his own interests; no explicit limits are imposed.... Hence individuals in the marketplace are no longer seen as social beings with particular rights and duties. They are liberated from a deep feeling of belonging to a community.... In this idealized scheme, the marketplace is composed of an aggregate of strangers willing to exchange with each other for their mutual advantage. People become pure individuals just as commodities are pure things. Ideally speaking, anonymity is the rule and the precondition to becoming a liberated individual. (Berthoud 1992: 75 - 76)

Those individuals who view the market in this absolute way, as a natural rather than social institution, discredit the competing social and political relations structuring society. For example, they see government regulation as a "costly, counter-productive intrusion into the marketplace of land and building, and business affairs in general. Similarly, planning is believed to impose untenable restraints on individual and corporate property rights" (Perks and

Jamieson 1991: 487).

Therefore, as an essential relation structuring the real estate development process, individualism is viewed as the mechanism that benefits self and others. For individualists "economic growth finds its expression in the continual search for material well-being, this quest having been elevated to the status of a fundamental requirement of human nature" (Berthoud 1992: 72). Increasingly, the market is not solely a technical device for the allocation of goods and services. Rather, it has become the way to most efficiently solve the world's problems and "should be increasingly used to regulate society as a whole" (Berthoud 1992: 70). From the 1950's through the 1970's the state was widely viewed as the vehicle for social reform. Since the 1980's the market is being increasingly viewed as the "natural" means to solve social problems. As Berthoud (1992: 73) notes, "efficiency is preferred to social justice as a means to an end, but also, sometimes, as an end in itself". For those participants structured by an essential individual profit relation the market is an absolute institution.

6.2.1 The Developer And The Property Owner

Two kinds of participants commonly view the market in an absolute sense. The first is the real estate developer whose principal concern is "enhancing the exchange value of the land and buildings" (Feagin and Parker 1990: 65). The second is the individual property owner who may object to development proposals (and land use decisions) because of the impact upon property values.

6.2.1.1 The Developer And Development

Real estate development is the real three dimensional world of creating urban landscapes. It is a fundamental component of urbanization and the shaping of a place's spatial dimension (Heiman 1990: 1). Traditionally development are the "fixtures" attached to land through construction. McNamara (1983: 88) has provided a more satisfactory explanation of real estate development. He sees it as "a purposive and premeditated material change in, or intensification of, the **use of a parcel of land**, brought about by an investment of labour and capital in land".

While the process may be instituted by a variety of participants including public authorities, interest groups, lawyers, or realtors, developers are "usually regarded as playing the key role" (Goodchild and Munton 1985: 67). The developer is the "innovator, the one who starts the change" (Clawson as cited in Goodchild and Munton 1985: 68).

Developers influence urban form. From the rezoning of an infill lot in the inner-city to the control of large tracts of land on the urban fringe, "the location, timing, and form of future urban development is determined in the project planning stages of the development process" (see Feagin and Parker 1990: 65). Peiser (1990: 496) concurs:

> it is primarily developers who determine what actually gets built, when it gets built, and what it looks like. They lay out the streets in subdivisions and direct the architects who design the public spaces in shopping centers and business districts where people congregate. It is developers, working within existing political and economic institutions who plan America - at least the built environment.

While Garreau concurs that developers are market driven, he observes that there are few market mechanisms "that make the connection between what they build and all the social consequences" (1991: 227). Structured by an absolute perspective of the market, "developers tend to their own projects and hope that Adam Smith's 'invisible hand' will clean up the consequences, rewarding good and bankrupting evil" (Garreau 1991: 227 - 228).

In 1981 Lorimer contended that in the 1970's Canada's urban areas were so heavily controlled by developers that he termed it the "developer's era". While Stach (1989) agrees that developers "have imposed their own vision on the urban residential landscape, and [that] the spatial and social structure of American cities reflects the aggregate of their individual actions", she also contends that occasionally their efforts are thwarted by other circumstances. Sometimes the "other circumstances" are various contingencies, the most important of which is risk.

6.2.1.2 Risk, A Major Contingent Relation

For individuals structured by an essential individual profit relation, risk is a major contingent relation. The developer[6] as a provider of equity, and the lender as the provider of project debt, are the financial risk takers in the real estate development process. The amount of risk varies with the kind of project being proposed.

Development projects may be classified into three types. The least risky is commonly called a "build to suit", where a project is developed for an end user. Such projects are either owned by the user or leased by the developer through a long term (20 - 25 year) lease. Build to suit projects most frequently include industrial or office buildings, individual housing units or condominiums. Projects that may be described as having a middle level of risk are those in which the developer is intending to occupy part of the development and retain the project over the long term. Finally, the riskiest projects are those built "on spec", leased by a number of tenants, and sold upon completion. The "situation" examined in the thesis was a "spec" development.

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[6] Not only are developers influenced by the kinds of projects they are building, and their level of risk, there is also a broad range of developers (from diversified to specialized) operating in a marketplace. Diversified real estate companies build and manage a variety of projects, often including office towers, regional shopping centres, warehouses and subdivisions. They tend to have a large capital base. In contrast, specialized firms deal only in one product type (e.g. in-fills in inner city areas) and are often small, with little equity. Increasingly, however, large development companies are also specializing in single forms of development.

The risk inherent to these different kinds of projects is made more acute by the influence of the business cycle[7], a second contingent relation (Whitehead 1987: 47). Because of the reliance on debt, and given the relatively easy entry into the real estate market, the business cycle has a strong effect on the development industry. As a result, supply and demand for projects is seldom matched. Classical real estate booms and busts[8] are the predictable result.

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[7] The business cycle is part of a macro concern that is a separate structure (at a higher level than the one at which the real estate development process operates), and what Harvey calls the three "Circuits of Capital". He suggests that urban spaces (the second circuit) are unevenly developed as a result of capitalists seeking to invest their surplus capital in real estate development for maximum short term return. Those critical of this notion claim that uneven development is more a result of business cycles (see Feagin and Parker 1990: 13-14, for a generalized introduction to these notions). Also see Harvey (1978), Wilson (1991), and Boddy (1981).

These effects of the business cycle are compounded because most development firms are driven by the "next deal", meaning they require the cash flow from the next project to pay for ongoing operations. As a result, real estate development companies fail because they often do not develop a revenue base stable enough to withstand market fluctuations.

To bridge their operational financial requirements, and to secure most of the leveraged capital which developers require, lenders exert significant control over the real estate development process. During "boom" periods, real estate lenders

> compete vigorously over which institution can loan the most money the fastest for the highest rate of return of interest and fee income... 'Easy money' helps fuel speculation, turnover, inflation, excessive land subdividing, overbuilding, and numerous other abuses resulting in poor quality development, and questionable business ethics. (Weiss 1991: 130)

Eventually, however, the boom becomes a bust. One of the main reasons is the withdrawal of previously available financing:

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[8] Examples would be Alberta in the late 1970's and early 1980's, and Toronto in the late 1980's.

> sales, construction, and property values will sharply decline during this downward spiral, and the lack of capital becomes a vital factor in precipitating and prolonging the real estate bust (Weiss 1991: 130).

It is at this point that developers increase their "range of action" by seeking concessions from those structured by social justice, and by seeking legislative protection from those structured by political power.

For example, as a way to moderate the real estate cycles, some jurisdictions, notably San Francisco, have adopted yearly building limits to keep developers from "chasing money...rather than demand" (Corelli 1992: B4). Given the individualistic perspective of the developer, this is not a long term solution that has wide acceptance. Those structured by an essentially individual relation see this kind of interference in the "natural" marketplace as unnecessary.

6.2.2 The Individual Property Owner

The landowner is another participant who may be structured by an individual profit relation. Feagin and Parker (1990) see that the individual property owner may either be concerned with the exchange-value of land (an absolute perspective dominated by the price of the "thing" in the market-place) or the use-value of land (a relative perspective concerned with the variety of "rights" attached to the lands). While conflict over the use-value of land generates inter-relational conflict, individuals structured by exchange-value concerns who are affected by the actions of adjacent property owners will engender intra-relational conflict over property values.

As a way of examining the intra-relational conflict, Adams and May (1991) examined what influenced landowners to participate in the planning and development process. Their approach was to examine those factors that motivated a landowner to become involved in a land use plan amendment. Although the study was undertaken in Britain and involved land use change to a larger spatial extent than the case analyzed here, their results are helpful in understanding the intra-relational conflict engendered by those structured by an essential economic relation.

Their first finding was that involvement was not based on the way the land was owned, that is, by what they call structuralist concerns[9]. Second, neither was the "legal personality" - whether owned individually, corporately, or by a public body - a criterion that motivated participation.

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[9] "The four types of ownership previously identified in the structuralist literature are former landed property, industrial land ownership, financial land ownership and statutory land ownership" (Adams and May 1991: 695).

Third, current income did not influence involvement in the planning/development process. "None of these categories proved particularly helpful in explaining landowner behaviour in the local planning process" (Adams and May 1991: 697).

There was, however, one prime concern that influenced the extent of involvement by landowners in the real estate development process. It was

> the prospect of generating **future** income and wealth through the reallocation of land for development...as a rule, the greater the income and wealth to be generated from a change in land use status, then the greater the number of representations made". (Adams and May 1991: 699)

Adam and May found that most individuals who made representations "conformed to a profit maximizing model". Thus, it can be expected for this "situation" that much of the intra-relational conflict for those structured by an essential individual relation concerned economic outcomes.

6.2.3 Summary

An essential individual relation structures both developers and individuals affected by a real estate development proposal who largely view the market as a natural process. The participants structured by this essential relation use it to modify social and political realities as well. Various contingencies impact this essential relation, the most critical being risk and business cycles. Intra-relational conflict is a reality when the activities of one participant are seen by others to impact their financial futures.

6.3 Retroduction of the Essential Social (Justice) Relation

The second essential relation structuring the real estate development process is derived from a radical planning perspective concerned with securing social justice. It is an ideal perspective that seeks the ill-defined value of a "good life". It seeks to protect and restructure society through grass root involvement. Changes that come through existing institutions (like the market or planning) are seen as simply modifications of the status quo and not substantial change at all. It is an ideal perspective that acts as a counter balance to the individualistic, economically focused real perspective of the first essential relation structuring the real estate development process.

As Rescher (1986: 5) notes, in the wide sense:

> just is the **lawful**, and justice is action in accordance with the requirements of the "law"... In the narrower sence, the just is the fair, and justice is action in consonance with the proper interests of one's fellows, paying due regard to their honor, property and safety".

Here the notion of social justice rests on the narrower sense.

6.3.1 The Roots Of Social Justice

Justice is often discussed in terms of community. The intent to protect community values was born in the mid-nineteenth century when:

> change on an epochal scale seemed to be pervasive. To get a grasp on the nature of some of the social effects of these changes contrasts were made between the features that characterized the recent past, and could still be observed outside the centres of urban modernity, and those that seemed to denote the future of a society dominated increasingly by industrial capitalism. (Cooke 1990: 30)

Durkheim, for example, viewed traditional pre-nineteenth century community in terms of "group membership of almost an unconscious kind" (Cooke 1990: 31). With the onset of capitalism, and the increasing urbanization of social life, new social roles had to be "negotiated".

> Social relationships were more negotiated, expectations of solidarity could not be assumed but had to be forged, possibly in the workplace. Such associational links with others, shallower than those of unreflective, traditional life, had to be nurtured, fostered, almost fertilized in a more organic way. (Cooke 1990: 31 - 32)

For Marx, the social relations of capitalism were an alienating experience that

> dehumanized mankind when persons were treated as things to be bought and sold in the labour market

> while things could be fetishized as desirable commodities... This new society was often to be contrasted unfavourably with the communal and community life of the past because of its immiserating capabilities". (Cooke 1990: 32 - 33)

These nineteenth century social theorists held a gloomy perspective of the transition from feudalism to capitalism and a new society. The new society was seen to be: **transitory**, "because it meant personal and social upheaval from the settled peasant existence of agricultural life"; **fugitive** because of the "fleeing nature of social interaction"; and **contingent**, because the "nominally free subject, the conscious individual, can choose a course rather than experiencing life as a series of necessities" (Cooke 1990: 6 - 7).

Running through their critique of the new capitalist society was also a romanticized image of feudal communities. Based on "attachment to the soil and to the family" (Cooke 1990: 33), their ideas became highly influential and were expressed in urban policy through such mechanisms as "Green Belts" and "New Towns". The goal was to create urban places planned on a city-regional scale that would diminish capitalism's disruptive effect on the social life.

As their alternative to capitalist domination, the social theorists thought urban life "should seek to be organically whole, should be constructed around a concept of community and should place human values above economic ones" (Cooke 1991: 35). Attempts were made to break down class barriers and establish a "more egalitarian, organic social model" (Cooke 1990: 35).

Despite their efforts to entrench community values, the majority have, through their embrace of capitalism, become "modern". Modernity is based on the notion that progress is essential and is achieved through the market[10]. The modern vision is dominated by concerns for the individual. Social concerns that seek an egalitarian vision focused on social justice based on nineteenth century ideas, are increasingly deemed old fashioned.

To the radicals, however, "modernity suffers from being associational rather than communitarian" (Cooke 1990: 36). This is because

> modernity is founded on a scepticism of stability, rootedness, respect for traditional, collectively transmitted local norms and values typical of rural, agricultural marginal society. As we have seen, modernity is steeped in the idea of progress, change, challenge to though not total rejection of the past, self-emancipation, social reform, inter-generational improvement and material well-being. (Cooke 1990: 36 -37)

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[10] The real estate development process is one means by which progress is seen to be accomplished.

6.3.2 A New Conception Of Social Justice

The relevance of a nineteenth century version of social justice has been further hampered by the collapse of Communism and the high national debts of Western countries, which are seen by many as the result of a failed experiment based on the desire for social justice. Not surprisingly perhaps, those who believe social justice is a viable ideal are re-inventing it in a form quite different from the traditional social-welfare approaches characteristic of Marxism and Socialism. It is a counterattack to the forces of modernity, and incorporates the rise of what Shelby Steele (1992) calls "grievance groups", and Barber (1992) calls **Jihad**. Jihad is a caricature for the rise of tribalism and grievance groups throughout the world. It "is the name of a hundred narrowly conceived faiths against every kind of interdependence, every kind of artificial social cooperation and civic mutuality". It is the "permanent rebellion against uniformity and integration - even the kind represented by universal law and justice" (Barber 1992: 59). As an ideal, Jihad is the modern version of community. It is "an emblem of identity, an expression of community, an end in itself" (Barber 1992: 60).

Jihad is opposed by the real forces that Barber calls McWorld: "the onrush of economic and ecological forces that demand integration and uniformity and that mesmerize the world with fast music, fast computers, and fast food - with MTV, Macintosh, and McDonald's, pressing nations into one commercially homogeneous global network: one McWorld tied together by technology, ecology, communications, and commerce" (Barber 1992: 53). McWorld is descriptive here of the essential individual profit relation.

Barber expresses a rising conflict between Jihad and McWorld:

> McWorld [globalism] does manage to look pretty seductive in a world obsessed with Jihad [tribalism]. It delivers peace, prosperity, and relative unity - if at the cost of independence, community and identity (which is generally based on difference). The primary political values required by the global market are order and tranquillity, and freedom - as in the phrases "free trade", "free press", and "free love". Human rights are needed to a degree, but not citizenship or participation - and no more social justice and equality than are necessary to promote efficient economic production and consumption (Barber 1992: 62).

Steele claims that in the late 1960's[11] the notion of social justice was expanded to include the concept of entitlement. Based on the redress of past grievances, "Rights to justice and to government benefits were henceforth to be extended not simply to individuals but to racial, ethnic, and other groups" (Steele 1992: 47). Such groups possess a "New Sovereignty" which Steele defines as "the power to act autonomously". They are "bestowed upon any group that is able to construct itself around a perceived grievance" (Steele 1992: 48).

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[11] Stone, Whelan and Murin (1979), through their analysis of "Community Power and Group Influence", provide an examination of the theories of community power up to the late 1960's, the point where Steele begins.

6.3.2.1 The Neighbourhood Association As a Grievance Group

A prime battleground for those seeking social justice in the 1990's is environmental disputes, of which land use conflict is seen to be one type. As a result, the grievance group empowered by social justice has become a vital component of the real estate development process. Their concerns are expressed both through "neighbourhood associations" and by other "social justice communities". As Wellman and Leighton (1979) demonstrated over twenty years ago, the terms are not synonymous. It is "principally the emphasis on common locality, and to a lesser extent the emphasis on solidarity, which has encouraged the identification of 'community' with 'neighbourhood' (Wellman and Leighton 1979: 364). The conflation of these terms is problematic. The former term is a territorial concept while the latter is based on interpersonal connections that are not necessarily spatial.

Logan and Rabrenovic claim that community groups are a catalyst for forming neighbourhood associations, most commonly in response to specific changes or a proposal for change in land-use.

> After the initial issue is resolved, neighbourhood associations begin to deal with quite a broad range of issues, although in suburban areas land-use remains uppermost. This is so because of the newness of the suburbs and their propensity for more direct control by fewer developers. (Logan and Rabrenovic 1990: 89)

They recently examined "neighbourhood associations": "A civic organization orientated towards maintaining or improving the quality of life in a geographically delimited residential area" (Logan and Rabrenovic 1990: 68). It is "not simply a form of local voluntary organization [as is a community] but more precisely [is] a distinctive form in which the common interests of residents of a bounded community area are expressed" (Logan and Rabrenovic 1990: 69).

While communities are founded most often on the basis of a single issue, when concerns broaden they become more permanent and neighbourhood associations are formed (Logan and Rabrenovic 1990: 70). Once established, the "neighbourhood association is commonly the vehicle through which neighbours learn about problems, formulate opinions, and seek to intervene in the political process to protect their local interests" (Logan and Rabrenovic 1990: 69). According to Logan and Rabrenovic "by and large, neighbourhood associations sprang up in response to specific land-use changes that concerned residents" (1990: 77). In suburban areas in the United States, land use issues, traffic congestion, and parking continue to be the ongoing central issues of neighbourhood associations.

To achieve an understanding of the issues that drive neighbourhood associations Logan and Rabrenovic created four indices: **safety** (including police protection, fire protection, personal safety, and street lighting); **collective consumption** (including parks and playgrounds, streets and sidewalks, garbage collection, traffic congestion, shopping facilities, and health care); **life-style issues** (including condition of housing, reputation of the area, cleanliness, noise, and architectural standards); and **development concerns** (including impact of existing development and land-use change). As Figure 6.1 shows, the most important issue driving neighbourhood associations in American **suburban** areas are development (individual profit) related issues. In contrast, in American **urban** areas the indices of collective consumption, lifestyle, and safety (social justice issues) are key.

Logan and Rabrenovic (1990: 86) also sought to compare the neighbourhood association to what is retroduced here as the other two essential relations structuring the real estate development process. They found cooperation existed between urban governments and neighbourhood associations, while there was conflict between the neighbourhood associations and the development community.

With respect to the developers, conflict encompassed both land use issues (47%) and "lifestyle concerns"(33%). About 15% of neighbourhood associations "said they more often agree with realtors and developers" (Logan and Rabrenovic 1990: 86). The business sector generally is seen as a partner "in neighbourhoods in which the residents seek constructive changes" (Logan and Rabrenovic 1990: 87). Figure 6.2 summarizes their multivariate analysis of the neighbourhood association's perspective on the relationship between themselves, developers, and local governments. Their conclusions are insightful:

> Local government is somewhat more likely to be considered an ally on lifestyle and collective consumption issues...and [an] opponent on development issues...business and developers are more likely to be perceived as a cooperating group on collective consumption issues, which include some facilities (shopping and health care) that are privately provided. They are significantly more likely to be seen as opponents on development issues than on other issues. (Logan and Rabrenovic 1990: 88 - 89)

Type of Issue	*City*	*Suburb*	*Total*
Life-style	26.5%	10.1%	19.0%
Safety	14.5%	9.1%	12.0%
Collective consumption	28.2%	20.2%	24.5%
Development	18.8%	31.3%	24.5%
Other	12.0%	29.3%	19.9%
Total	117	99	216

Figure 6.1: Ranking of Issues Important to Neighbourhoods

	Local Government		*Developers*	
	Cooperating	*Conflicting*	*Cooperating*	*Conflicting*
Life-style issue	.329	.080	−.077	.713
	(1.63)	(0.39)	(−0.23)	(2.72)
Collective consumption	.261	.278	.475	.306
	(1.40)	(1.48)	(1.83)	(1.12)
Development issue	.178	.412	.306	1.034
	(0.97)	(2.22)	(1.13)	(4.28)
Location	−.269	.177	−.109	−.041
	(−1.90)	(1.23)	(−0.54)	(−0.23)
Constant	.528	.144	−1.505	−.156
	(1.87)	(0.51)	(−3.59)	(−0.45)

Figure 6.2 : Logistic Regressions Predicting Conflicts

They also discovered that in America's urban areas, residents have less personal control of their environment because of the larger number of land uses. This results in a wider range of collective issues than are evident in the suburbs.

Logan and Rabrenovic (1990) conclude that land use conflict resides in the distinction between the use-value (a relative and ideal perspective) and exchange values (an absolute and real perspective) of property. The former is typically the concern of neighbourhood associations while the latter is the concern of the individual. Therefore, social justice may be spoken of as the "use-value" that structures some participants in the real estate development process.

6.3.3 The Contingent Factors Impacting Social Justice

Weiss has shown how those structured by an essential individual relation come into conflict with those seeking to effect social policy respecting land use:

> Real estate is a game played primarily with borrowed money, and it is relatively easy for a large segment of the population to participate...new entrepreneurs can quickly become an obstacle to any kind of meaningful reform or regulation (Weiss 1991: 129).

Weiss' conclusion is that large established developers are "more favourable toward public policy initiatives than their middle-scale colleagues" (1991: 129). This is because large firms seem to have the greatest economic and political resources to shape regulation and legislation to their own ends.

6.3.4 Summary

Social Justice is an essential relation structuring some participants in the real estate development process. Some who are structured by "social justice" are increasingly functioning as grievance groups seeking rights in property. While land use conflicts may spur the formation of community groups, they are often structured by the desire to protect their property values (individual profit). More broad based concerns result in the formation of neighbourhood groups which are often structured by social justice concerns and seek bottom-up change.

6.4 The Political (Power) Relation

Political power is the third essential relation structuring the real estate development process. Based on the Social Reform Ideology, this essential relation rests on the notion of social engineering:

> a scientific endeavour focused on making actions by the state more effective. Social reformers have a unitary conception of the public interest, that is,

> they believe that there are public goals, the rightness of which is clear and obvious. They may seek radical change but their means are top-down via societal guidance. (Friedman 1987 as quoted in Harper and Stein 1992: 110)

As a way of retroducing the essential political relation, a definition of politics, and then a discussion about the nature of power will be presented. This will be followed by an examination of the public interest criterion inherent to a social reform ideology. Finally, some of the contingent relations impacting this essential relation will be discussed.

6.4.1 Politics Defined

Banfield's (1955: 304) classic definition of politics as "the activity (negotiation, argument, discussion, application of force, persuasion, etc.) by which an issue is agitated or settled", is adopted here. Many activities are political "insofar as it affects the manner in which the issue is agitated or the terms on which it is settled" (Banfield 1955: 305). Banfield identifies four kinds of political interaction:

1. **cooperation**; a shared end or principle is mutually agreed upon, as the basis for the decision, and the relative power of the parties does not affect the settlement that is reached;

2. **contention**; where one party attempts to make its "ends" prevail over others through the exercise of power. The contention continues "as long as a critical number of parties think that they may reach a more favourable settlement by continuing it" (Banfield 1955: 306). There are two types of contention. **Struggles** occur when one "contender (or coalition) seeks to emerge supreme"; while **bargaining** is the result when a "contender emerges on terms relatively favourable", and expects to give up something in order to get something (Banfield 1955: 307). Because of the zero sum nature of land use conflict that is due to the "guardian cast of mind" of politicians (Jacobs 1992: 129) participants struggle. Consequently, those who perceive the real estate development process as a struggle have an advantage over those who seek to bargain a solution. As Banfield's material was being reviewed it became clear that the **Developer** approached the "situation" with a bargaining mind-set while the **Ward Alderman** approached it as a struggle. This difference in approach put the **Developer** at a great disadvantage. This notion is of critical importance in understanding the "situation";
3. **accommodation**; where one party chooses to make the ends of the other his own (Banfield 1955: 307); and

4. **dictation**; where a dictator compels another "to accept settlement on his terms". (Banfield 1955: 307)

Two other interactions - **competition** - "a process in which the settlement is the outcome or resultant of unconcerted activity" - and **arbitration** - "a process in which an actor who is not a party to the issue fixes the terms of the settlement" (Banfield 1955: 305) - are not political activities. They are, however, mechanisms which may facilitate resolution of inter-relational and intra-relational disputes within, or between, the other essential relations structuring the real estate development process.

6.4.2 Power

Because the "situation" is focused on land use change, contention exercised through power is the kind of politics most relevant to this essential relation. This is because, in Banfield's terms, land use decisions are largely struggles. In the language of game theory, they are "zero-sum" games in which there is a direct relationship between one participant's gains and the other's losses (Radford 1989: 125). Like most power relationships, land use conflicts are generally asymmetrical with one participant exerting control over another's behaviour (Knoke 1990: 3).

Power is usually situation specific. That is to say, power "enjoyed on one occasion may not be transferable to other sets of conditions" (Knoke 1990: 2). As a result, it is dynamic and unstable, it "waxes and wanes in response both to the various characteristics of actors in power relationships and to external circumstances in which their relationships are embedded" (Knoke 1990: 2).

6.4.2.1 Influence and Domination

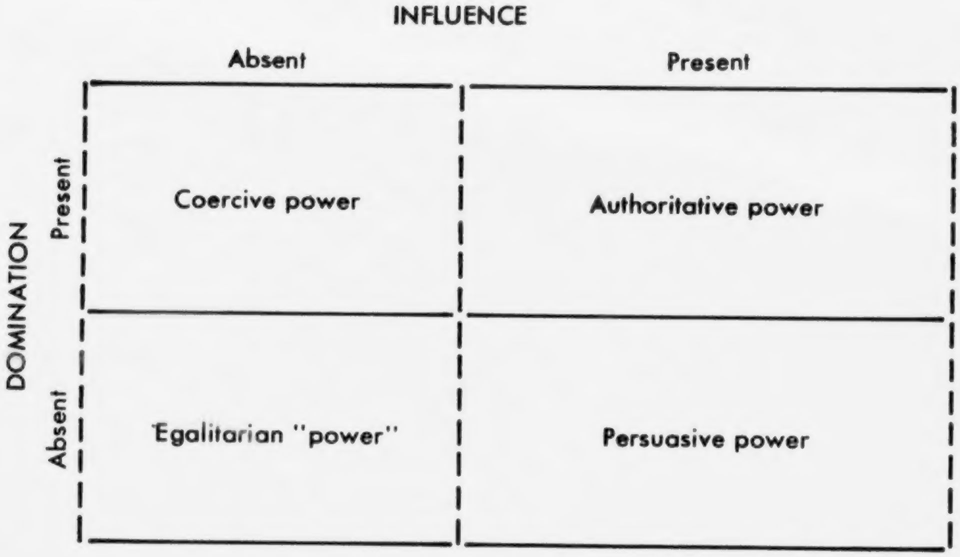
Power is based on a relationship between influence and domination (Knoke 1990), the connection between an act and its consequences. Influence is realized only "where word and deed have not parted company, where words are not empty and are not brutal, where words are not used to destroy but to establish relations and create new realities" (Arendt as quoted in Knoke 1990: 4).

In contrast, domination exists where one participant "controls the behaviour of another by offering or withholding some benefit or harm" (Knoke 1990: 4). It works on the basis of sanctions, a reward or punishment dispensed to gain compliance with demands. As with influence, domination is relational because "it involves one actor exchanging some valued (or abhorred) resource for obedience by another" (Knoke 1990: 4). Often, those exercising domination appeal to obedience on religious, ethical or ideological grounds (an ideal).

Knoke (1990) has sought to clarify the relationship between influence and domination. As shown in Figure 6.3 they comprise a "mixed strategy in many real situations, and create four kinds of "pure power": egalitarian, coercive, authoritative and persuasive. However, neither egalitarian nor coercive power **(like competition and arbitration)** are commonly a component of political power. Egalitarian "power" is not in actuality a form of power because neither participant has the means to control behaviour. They lack both influence and domination. Also, coercive power which depends solely on domination (e.g. threats and negative sanctions, and is characterized by brute force and violence), is devoid of any kind of influence. The other two kinds of power (authoritative and persuasive) are, however, typically part of the "limits to action" of those structured by political power.

6.4.2.2 Authoritative Power

All participants in the real estate development process are subject to authoritative power and are constrained by a responsibility to act within the rules of law and codes of conduct. Authoritative power is reciprocal. A "ruler issues



		INFLUENCE	
		Absent	Present
DOMINATION	Present	Coercive power	Authoritative power
	Absent	Egalitarian "power"	Persuasive power

Figure 6.3: Types of Power as Combinations of Influence and Power (Knoke 1990: 5)

a command in the expectation of compliance, and obedience to the command is guided by the ruled's subjective beliefs that the orders are legitimate" (Knoke 1990: 6). This means that obedience is seen by most participants as the right thing to do.

Hajer refers to the kind of obedience demanded by authoritarian power as the "mobilization of bias", that is, "some issues are organized into politics while others are organized out" (Hajer 1989: 14). Respecting the real estate development process, the settlement of land use conflicts are very much organized into urban politics, and through the factors of mediation the organization is done in a very structured way. In Canada, authoritative power in zoning matters has been legitimized through the constitutional authority given to the provinces. As a result, urban government has a great deal of legitimate authority to deal with land use issues (Magnuson 1985: 576).

6.4.2.3 Persuasive Power And Bargaining

What Knoke calls persuasive power Banfield calls bargaining. As such, instances of bargaining may be most relevant at an inter-relational level where the levels of power may be most symmetrical. Bargains may also be effectively used by those seeking to mediate between the essential relations. It is less typically evident in the relations between those structured by the three essential relations. Bargaining is based on compromise:

> The compromise is a system of incentives by which all parties are brought to agree to the settlement. A compromise is therefore the expression in concrete terms of the equilibrium of power which exists among the parties at the time it is made. Each contender, having done what they can to impose on the other contenders the action possibilities most acceptable to him, makes what concessions he must. These concessions, when made and accepted mutually, constitute the compromise. (Banfield 1955: 308)

Critically, however, an "issue cannot at the same time be compromised **and** settled on its merits. A compromise may be equitable or inequitable but its terms are not (by definition) implied by a standard relevant to the issue" (Banfield 1955: 309).

At the intra-relational level the compromise, and this is key, is not solely based on the resolution of a single issue. Ordinarily the politician "is concerned with the gratification-deprivation balance of his system as a whole and with this over time and with respect to many issues. Accordingly, the terms of a compromise may involve concessions or incentives which are logically unrelated to the particular issue" (Banfield 1955: 309). As Banfield suggests, for the politician operating with his peers, the resolution of a "situation" is a "balancing act":

> Banfield expands on this important point:
>
> In a continuing political process issues are not generally settled each by itself without relation to others. Some issues are settled on their merits or are compromised without any substitutions being made, to be sure, but to a large extent settlements are made by arranging compromises involving transfers and postponements which cut across several or many issues. (Banfield 1955: 310)

He goes on to suggest that:

> 'politicians' usually - must be in a position to arrange settlements of various issues which arise over a period of time and so to accumulate a stockpile of incentives or 'favours' each can be used as 'trades' from one issue to another (Banfield 1955: 310).

In seeking a compromise, Banfield distinguishes between **nominal** ends (the ends that are professed), and **real** ends (those actually sought) (Banfield 1955: 311). Among aldermen who make decisions within an intra-relational system, where "favours" are "traded", the real ends they seek will be most effectively achieved if they are not fully revealed.

6.4.3 Power Expressed Through The Common Good

Through the lenses of Social Reform Ideology, what is known is that the nominal ends of the public interest tend to legitimize those structured by political power. While sounding like a social justice concern, the public interest is more accurately a notion that seeks social reform through the exercise of top-down political power. Alternatively called ends, the "common good" and the "public interest", Banfield, writing almost 40 years ago, considered something to be in the public interest if "it serves the ends of the whole public rather than those of some sector of the public" (Banfield 1955: 322). Social reformers have tended to believe that the goals of those seeking the public interest are clear and obvious. As a result, politicians have exercised political power as if a public interest did exist. In spite of increasing pluralism, the public interest

> continues to be practised in a broad range of area - from air quality to zoning - on the assumption, sometimes borne out in fact, that planning analysts and rational interaction with officials and elected representatives can identify a public interest and work towards its realization". (Alexander 1986: 104)

6.4.4 The Relationship Between Social Justice And Public Interest

While often appearing as being the same, differences between social justice and the public interest need to be distinguished. The conception of the public interest used here is based on the notion of "aggregate concerns", "the ideal that policy choices should conform to...the greater good for the greater number" (Schumaker (1991: 62). In contrast, a utilitarian view of social justice takes "seriously the plurality and distinctness of individuals, for people would not voluntarily consent to be members of communities where their interests were sacrificed for the greater good of others" (Schumacher 1991: 63). Therefore "some people are more concerned about how the pie of human values is sliced [social justice] than they are about its total size [public interest]" (Schumacher 1991: 62).

In a democratic society, determining the public good of a particular real estate development proposal is not something that can be decided outside the political realm.

> Development projects are almost always defended as being in the public interest, and opposition is often stated in the same terms. Yet a law of indeterminacy prevails: a community cannot know in concrete terms what the public interest is, independent of political activity. Participants pursue what is most immediate and real to themselves. But as governing arrangements are put together, maintained, and modified, perception of what is immediate, as well as understandings of what is real change. (Stone 1987: 15 - 16)

A way of defining the public interest, respecting a particular "situation", is by adopting a procedural rather than an absolute perspective. Such an approach is increasingly helpful because not only are politicians empowered to determine if the public good is best served by supporting economic or social goals, but it also acknowledges that social justice concerns are increasing in number as communities demand for entitlements escalate. On the basis of this conception of the real estate development process, each participant is understood as seeking a public interest based on the essential relation structuring them. Rather than defining a specific end, an adequate procedural method has the capacity to create outcomes which may be said to be in the public interest (Alexander 1986: 104). A **Reality Check**, therefore, is a procedural method for creating a public interest.

6.4.5 The Contingent Relationship Between Politics And The Market

The relationship between political power and the market (individual profit) is of increasing (contingent) importance to determining a public interest. Development decisions are

> very much a matter in which business and government are jointly engaged. Government does not ignore business, and business is an integral part of political life in urban communities. Politics takes

> place within these circumstances. (Stone 1987: 18)

The links between public officials and business leaders are extensive and well developed:

> They were in evidence in the full range of city affairs, from specific civic projects to bolstering up the city-manager form of government, from guiding the capital-works agenda through approval to affecting the outcomes of elections. (Elkin 1987: 28)

Elkin goes on to claim "public officials, both elected and appointed, had views in common with leading businessmen. But it was **business** views that were shared and not vice versa" (Elkin 1987: 28). As a contingent relation, the development community is concerned that an attractive business climate exists. They "wish to see a local political order that will facilitate investment" (Elkin 1987: 41).

The desire and ability to control the "local political order" is influenced by economic cycles (another contingent relation). During boom times, when large firms are outnumbered by smaller competitors and there is a desire to maximize profit, developers are reluctant to tamper with the status quo.

> Once the downturn arrives however, the attitude of the larger business leaders changes quickly. First, they become more willing to engage in public policy reform in order to placate an increasingly hostile public opinion and improve the image of the real

> estate industry which has been tarnished by the excesses of the boom. (Weiss 1991: 129)

Then, during the early stages of recovery, the survivors support new government initiatives and programs designed to stimulate investment. As the economy strengthens "serious governmental reforms leave the real estate industry's short-term political agenda" (Weiss 1991: 129).

6.5 Conclusions

One goal of this **Reality Check** is to retroduce each essential relation structuring the real estate development process as a way of determining a participant's "limits to action". To provide a perspective, the first section of this chapter made a distinction between an absolute and a relative view of private property. Those structured by an absolute view of private property have their "limits to action" established by an individual perspective. In contrast, those holding a relative view of private property are structured by a social justice (community) concern. It is the role of the political process to determine which view shall prevail in a particular "situation".

These different perspectives result in inter-relational conflicts between those structured by each essential relation, for example, the developer fights the environmentalist. There may also be intra-relational conflict between those structured by the same essential relation. Property owners may be in conflict because of differing perceptions about what will protect their property values.

Politicians are structured by a Social Reform Ideology that seeks the public good through top-down political power. Given the increasing strength of the essential economic relation striving for the self interest of the individual, and given the increasing numbers of communities seeking their entitlements under the banner of social justice, the determination of a public good is best decided procedurally. Although not used here procedurally, the **Reality Check** could be used in other "situations" as a method that could seek to be effective in resolving these kinds of disputes.

Society has designed a sub-structure as a way of mediating the conflicts generated by participants structured by the three essential relations of the real estate development process. In Chapter 7 these factors of mediation will be fully considered.

CHAPTER 7

Retroduction Of The Factors Of Mediation Structuring The Real Estate Development Process

7.0 Introduction

Real estate development is the way urban landscapes are created. To reconcile the inevitable conflicts between the participants essentially structured by the real estate development process, society has established three formal mechanisms of mediation. In keeping with the perspective proffered by Harper and Stein urban managers mediate between those structured by individual profit and political power; participation mediate between those structured by political power and social justice; and externalities mediate between those structured by social justice and individual profit. The three factors of mediation, like the essential relations, form a structure. The task of this second structure is to moderate the influence of the innumerable contingencies that arise in resolving particular "situations".

The factors of mediation, as will be more fully explored in the next section, are a sub-structure "nesting" inside the essential relations structuring the real estate development process. In the balance of this chapter the nature of this sub-structure will be discussed and each factor of mediation will be retroduced.

While the nature of this mediation substructure would be an important separate area of examination (for planners, for example), here each factor is considered only as to its impact on the larger structure because the factors of mediation, vis-à-vis the real estate development process, are merely contingent relations. This chapter, as a result, provides only an introduction to this mediation sub-structure. A fuller retroduction is certainly required before its efficacy can be fully established.

7.1 Factors Of Mediation: A Substructure

As described in Chapter 4, structures exist at a variety of scales from abstract to real. For example, Harvey's Circuits of Capital is a highly abstract view of capitalism. The real estate development process is one example of Harvey's Circuits of Capital at a lower level of abstraction. In a similar way the factors mediating the real estate development process form a structure that is even less abstract. In turn, the practice of Urban Managers to follow a Policy Analysis perspective is an example that seeks to show that the factors of mediation are the least abstract (most real) of all.

These structures form an ideal/real continuum that were referred to in Chapter 4 as the "stratification of reality". The stratification of reality that impacts the real estate development process is illustrated in Figure 7.1. Each increasingly real (less abstract) sub-structure is conceived of as "nesting" inside the more abstract structure. The way that the factors of mediation nest inside the real estate development process is shown in Figure 7.2

A key understanding about the stratification of reality is that essential relations at one level are contingent relations at another. While the factors of mediation form an essential structure, in the real estate development process they only "structure the contingencies". From the perspective of those structured by an essential relation, the purpose of those structured by a factor of mediation is to impact the outcome of a specific "situation". The factors of mediation, as contingent relations, impact the "range of action" of a participant structured by the real estate development process; but do not essentially change their "limits to action".

Based on this view, the factors mediating the real estate development process may be broadly considered as sources of information to those participants structured by an essential relation. As a corollary, for a participant to have a fundamental role in the real estate development process they must be structured by one of the three essential relations.

MOST ABSTRACT

CAPITALISM
The Circuits Of Capital

THE REAL ESTATE DEVELOPMENT PROCESS
Essential Political, Individual And Political Relations

THE FACTORS OF MEDIATION
Urban Managers, Participation And Externalities

PLANNING PRACTICE
Policy Analysis

MOST REAL

Figure 7.1 The Levels of Abstraction In the Real Estate Development Process: With Examples

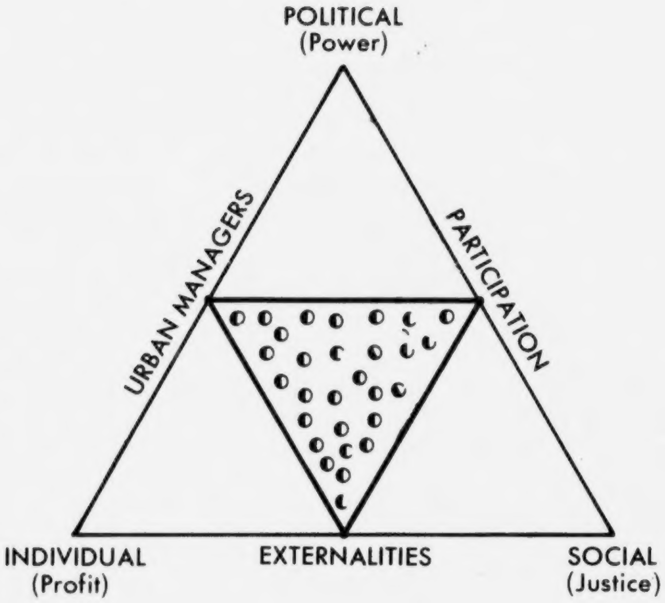


Figure 7.2 The Factors Of Mediation As A Substructure.

7.1.1 The Mediation Of Inter-Relational Conflict

The purpose of this substructure is to mediate conflicts between the essential relations structuring the real estate development process (inter-relational conflict). However, not all conflict is mediated by a factor of mediation. There is also **intra**-relational conflict within each essential relation. For example, landowners structured by individual profit may seek to participate in a particular "situation" because it threatens their self interest. Such participation is a result of intra-relational conflict between participants structured by the same essential relation.

In the "situation" the **Community** was not a "factor of mediation". It was not the **Community's** values of social justice that were in conflict with the developer's goal for individual profit. Rather the **Community** was composed of participants structured by individual profit concerned about the impact of the proposal on their property values. The issues for the **Community** were noise, traffic congestion, and being rid of dog feces on a vacant lot. The concern was the impact of these externalities on their property values.

This kind of intra-relational conflict is not uncommon. For example, Adams and May (1991: 699) have shown that the prospect "of generating future income and wealth through the reallocation of land for development" provides the prime motivation for adjacent landowners to participate in the planning process. Thus, as the potential for gain becomes increasingly substantial, "the vast majority of the case-study landowners instruct professional consultants to fight their case" (Adams and May 1991: 699). Therefore, lobbyists are also not mediators of inter-relational conflict. Rather, their work is most often based on supporting the interests of those structured by an essential economic relation.

Planning professionals are implicitly recognizing the distinction between inter-relational and intra-relational conflicts. They are increasingly augmenting and developing their role as mediator beyond the purview of the urban manager. This is why Harper and Stein's work is a helpful approach to the retroduction of each essential relation and factor of mediation for the real estate development process.

7.2 The Retroduction Of The Factors Of Mediation

In Chapter 5 it was argued that Harper and Stein's typology provides a ready aid for the retroduction of each essential relation, factor of mediation and the **Reality Check** itself. For urban managers a policy analysis approach was ascribed, for participation a progressive theory was relevant, and for externalities, libertarian planning theory seemed most appropriate. In the balance of this chapter each factor of mediation will be more fully retroduced.

7.2.1 Urban Managers

The Policy Analysis Perspective was formulated by pluralists during the 1970's. As described by Williams, the urban sociologist Pahl:

> argued the need to link the analysis of cities to broader social processes. Furthermore, he propounded the view that within cities there were fundamental social and spatial constraints upon access to scarce resources which, in turn, conditioned life chances; that access to these resources was significantly effected by managers or gatekeepers who occupied key positions both in the public and in the private sectors; and finally, that this process of allocation was characterized by conflict between individuals and groups and by substantial inequalities in the distributional outcomes. (Williams 1982: 96)

Pahl's concept of urban managers was an important change in the analytic framework for urban geographic research (Williams 1982: 95). According to Ley (1983: 281), up to this time geographers had viewed the urban landscape as a given, or at least the outcome of anonymous forces in the marketplace when:

> a more complete analysis would view the urban landscape as the negotiated outcome of a complex

> series of perceptions, actions, and interactions between a variety of urban actors, including landowners, speculators, developers, financiers, planners, politicians, and real estate agents, each of them operating under constantly changing degrees of freedom [called here contingent relations].

As the concept of urban managers evolved, the nature of their relationship to the essential power and profit relations became increasingly evident. While initially applied to a variety of "urban actors" who were seen to "manage" change, the concept moved from a notion of independence to a concept of mediation (Leonard 1982: 196). "Pahl redefined the role of his managers in terms of a mediating function between the **public** and **private** sectors" (Bassett and Short 1989: 187, emphasis mine). The new conception "aimed to broaden the contribution of a managerialist approach by making explicit the managers' role in relation to the capitalist system" (Leonard 1982: 197).

7.2.1.1 Managers, Not Gatekeepers

Urban managers, in the literature, have also been called "gatekeepers" (Leonard 1982: 190). However, the two terms are not synonymous. **The Dictionary of Human Geography** (1986: 511) defines urban managers as bureaucrats, like housing and welfare officials, and planners. In contrast, gatekeepers are defined as professionals operating in the private sector, including "[real] estate agents, solicitors and financiers" having in common the power to allocate scarce resources among competing individuals and groups. Gatekeepers then, as individuals operating in the private sector, are structured by the essential individual relation. They are mediators of intra-relational conflict.

7.2.1.2 Policy Analysts As Mediators

When planners are perceived as policy analysts, they are seen as dispensers of information who mediate conflict by absorbing and internalizing "pressures from a variety of sources - from capital, from labour, and from other governments and agencies within government - and produce outputs in the forms of policies and programs" (Staeheli 1989: 234). Policy analysis is considered to be a rational process of selecting the best means to achieve some predetermined end which is usually in support of the status quo (Harper and Stein 1992: 110). Its method is based "on applying value-free Weberian social science to improve decision making by the state" (Harper and Stein 1992: 110).

For policy analysts there are three stages to undertaking this rational process. First is the selection of appropriate ends. Second is the identification of alternatives consistent with the ends chosen. Third is the guidance of action towards the ends through using a variety of value-free techniques. The emphasis is often on choosing **techniques**, the selection of which is seen as "politically and ethically unproblematic" (Healey 1991: 20):

> Its principles are straightforward. The planner's legitimacy is derived from scientific knowledge and scientific reasoning based on that knowledge. This provides the objective knowledge-base, which can be made available to clients, such as politicians in local authorities and other public agencies. The relationship between client and expert, politician and planner is 'mediated' through goals and objectives. This concerts clients/politicians' values and interests into criteria which planners can use to select what analysis to undertake, to evaluate findings and to assist clients in using and making choices from the advice provided by their planners. The planner is thus primarily an analyzer.

In sum, planners, as "apolitical technicians", use technical expertise (the real) to carry out their role as mediator (Healey 1991: 23). As a consequence, for the urban manager the terms are often clearly defined. The same cannot be said of the next two factors of mediation.

7.2.2 Participation

The second factor of mediation is "participation". Retroduced through the Progressive Planning Paradigm it seeks to incorporate "disadvantaged" individuals and groups into the planning process. Participation is defined by the **Oxford English Dictionary** as "the action or fact of partaking". As an ideal, it is concerned with "what could be" and "it is necessary only that the gap between myth and reality remain within tolerable bounds" (Brion 1991: 33). Participation while limiting the scope for involvement does ensure that the land use process is "less efficient" than it would be without it (Alexander 1986: 106). Its purpose is, in terms of the factors of mediation, to counter the value-free perspective of the urban manager. In terms of political power it is to allow the politician a broader "range of action".

Participation requires the "perception of a crisis...to mobilize people to invest the time, effort, and organization that will enable them to affect and change public decisions" (Alexander 1986: 106 - 107). Often a perception is created that participants represent a group, when in fact they may only be representing their own interests. As a result, at times, people may be "led to take actions which are inspired or directed by centres outside their control" (Rahnema 1992: 116).

7.2.2.1 Procedural Participation As A Factor Of Mediation

In keeping with the previous discussion about the nature of space - that it can be examined in an absolute or relative way - some participation may be viewed as being goal oriented, or substantive, while other forms of participation are more ideal and are process orientated. Substantive participation, because it is goal oriented, is most likely undertaken by a person structured by an essential social justice relation like Sherry Arnstein (1969) who seeks "community power". Therefore, substantive participation is another way to express how a participant is essentially structured. It is not a factor of mediation.

Procedural participation makes participants "information wise" (Boyte 1989: 251). It seeks to "advance the interests of...excluded groups by providing them with information, technical resources, and critical analysis" (Harper and Stein 1992: 112). The real estate development process views participation procedurally. It is a way those participants structured by a range of social justice concerns can raise a voice to those holding political power. As a mediating relation procedural participation impacts but does not essentially change the social justice and political power relations. It increases the "range of action" of those structured by these two essential relations without changing their "limits to action".

In sum, participants structured by the essential social relation seek participation, for substantive reasons, as a venue for creating new forms of social justice. In contrast, those structured by political power tend to view participation as procedural, as part of the democratic process. Therefore, because those structured by legitimate political power "make the rules", as a factor of mediation in the real estate development process, participation is procedural. It is a way to provide information and access to the process while maintaining the status quo.

7.2.3 Externalities

Externalities mediate conflicts between "public benefit" (social justice) and "private use" (individual profit). Geographers have often used externalities as the basis for studying locational conflict (Cox 1973: 5). Often called, "spillover effects", they are the consequence of one action upon another. Externalities may either be positive because they are perceived as an "indirect benefit" (e.g. the creation of a new park), or they may be negative because they are perceived as an "indirect cost" (e.g. living near a land-fill site) (Cox 1973: 2 - 3). Cox calls positive externalities "goods", and negative externalities "bads". Up until recently externalities have usually been thought of as "unpriced":

> The idea fundamentally was that there are on the one hand certain goods and services which remain uncommodified and therefore unpriced....On the other hand, there are certain bads which remain uncommodified and hence for which producers offer no compensation to the recipients. (Cox 1982: 3)

Klosterman, a planner, differentiates between public (social justice) and private (individual profit) externalities.

> Public goods are defined by two technical characteristics: (i) 'joined' or 'nonrivalrous' consumption such that, once produced, they can be enjoyed simultaneously by more than one person; and (ii) 'non-excludability' or 'non-approachability' such that it is difficult (in some cases impossible) to assign well-defined property rights or restrict consumer access. Private goods such as apples, bread, and most 'normal' consumer goods exhibit neither characteristic; once produced they can be consumed by only one individual at a time. It is thus easy to restrict access to these goods and charge a price for their enjoyment. On the other hand, public goods such as open-air concerts, television broadcasts, and a healthy and pleasant environment simultaneously benefit more than one individual because one person's enjoyment does not prohibit another's enjoyment (except for congestion effects) [a negative externality]. (Klosterman 1985: 7)

Private goods and bads may broadly be characterized as the concern of those structured by individual profit while public goods or bads may be broadly classified as the concern of those structured by social justice. In addition there is the potential for intra-relational conflict as a result of disputes within an essential relation, and the potential for inter-relational conflict as a result of disputes between them. For example, a new regional shopping center may generate inter-relational goods because of its creation of jobs and the generation of an improved tax base, while at the same time it generates intra-relational bads because of increased noise and disruption to surrounding households.

7.2.3.1 Intra-Relational (Substantial) Externalities

For those structured by an essential individual relation, externalities are often spatial and are strongly affected by distance decay. As a result, conflicts about the nature of externalities usually revolve around locational issues (Cox 1982: 4). Disputes affecting some participants structured by an essential individual relation are used to mobilize neighbours as a way to "protect existing externality fields" (Ley 1983: 305).

> The rule is simple: the closer residents are to an unwanted facility, the more likely they are to

> oppose it. Opposition runs high among those on the same block as a proposed facility. Two to six blocks away, neighbours' interest or awareness declines to the point of indifference. (Dear 1992: 291)

There are several private options an individual may use to ameliorate negative intra-relational externalities. One is to move away from the offence. A second is to bargain with the offender by transferring some of the offender's property rights to the concerned party by offering some form of compensation.

> If a householder does not maintain his residential property adequately so that it detracts from the aesthetic pleasure afforded a neighbouring household, the latter might conceivably offer to apply half the bill for a paint and exterior repair job. In an important sense the household would be attempting to transfer some of its neighbour's property rights to itself: in exchange for monetary compensation the household would obtain some of the right to say how the neighbouring property could be used. (Cox 1973: 6 - 7)

Intra-relational conflict is driven by substantial concerns. For externalities, the substantial concern relates to profit and the increasingly prevalent natural law perspective of the market. Intra-relational conflict respecting externalities tends to focus on those participants structured by the essential individual relation. For example, the **Developer** and the **Community** sought an agreement on the uses within the proposed shopping centre, such as access to the streets and the landscaping of the site. Each concession by the **Developer** was made to lessen the impact of the proposal on the **Community**. The goal was to minimize personal disruption and to protect (or enhance) the property values of those individuals living nearby.

As recently as 1989 Wheaton claimed that while there is "a very active market for parcels of land, there is no market for the services or diservices [externalities] among them" (Wheaton 1989: 320). This is in spite of the fact that externalities have traditionally been expressed in planning legislation as "worsenment and betterment" (Misczynski 1990). This implicit economic connection has been evident for nearly a century. In Britain, for example, the "Housing, Town Planning Act" of 1909 sought to apportion the betterment created because a planning scheme was not expected to adequately redistribute property values. As a result the legislation provided that local agencies were to "recover from any person whose property is so increased in value one-half of the amount of that increase." On the worsenment side, the act provided that "any person whose property is injuriously affected by the making of a town plan scheme shall...be entitled to obtain compensation in respect thereof from the responsible authority" (the 1909 Act as quoted in Misczynski 1990: 14). These principles set in motion the advancement of Churchill's Uthwatt Commission (1941 - 1942), proposing that "windfall recapture properly measured, would exactly equal wipeout compensation, again properly determined" (Misczynski 1990: 14). However, because both acts only addressed changed property values due to the planning scheme (individual profit) and ignored community growth (social justice) or inflation, both acts were ineffective in pricing externalities (Misczynski 1990: 15).

Increasingly, however, the need for externalities to be priced is being addressed. Updated, and in the North American context, a "Windfalls for Wipeouts" worsenment-betterment arrangement has been proposed that seeks to mediate, through market mechanisms, the intra-relational costs/benefits created by a new development. Windfalls are increasingly recaptured through developer's fees, special assessments, and hook-up charges (Misczynski 1990: 16). In Alberta, as well as throughout North America intra-relational externalities are increasingly being priced into the cost of a development proposal. All are motivated by the decreasing ability of government to front-end development costs for highways, sewers, and schools.

The pragmatic way to price externalities is through a development agreement. Negotiated between the state and the developer they:

> reflect the desire of actors in both the public and private sectors to put aside the exacting process of cost accounting or calculating windfalls for wipeouts; these aim for an accommodation of public and private sector interests in which subjective considerations (which can include aesthetic and image questions) as well as objective numerical calculations come into play. (Blaesser 1990: 27)

The pricing of externalities created by individuals is increasingly being addressed by the market. However, the mediation of inter-relational conflict between the essential economic and social relations is less easily priced. This is in keeping with Wheaton's claim that externalities are "a service or disservice among agents for which there is no channel of mediation" (1989: 320).

7.2.3.2 Inter-Relational Externalities

Externalities which mediate inter-relational conflict are more socially focused. Land use planning is the primary way to maximize social goods by a "redistribution of net costs and benefits to urban residents" (Ley 1983: 304).

Social justice issues operate at the level of the ideal. Sometimes distinctions are required between social motives and individual "hidden agendas". For example, traffic congestion or environmental protection are acceptable grounds for land use controls, whereas "to argue that one finds lower income residents visually and behaviourally disagreeable" (Cox 1982: 5) is not.

> Indeed, one wonders to what degree the present concern over some environmental issues represents merely a front for concerns over issues that have more to do with social segregation [negative social justice] and the enhancement of property values [individual profit]. (Cox 1982: 5)

Wipeouts, "a decrease in property value caused by public action" (DiMento 1990: 1), is the current term for inter-relational conflict reflecting true social benefits. While windfall recaptures can broadly be considered as the pricing of positive externalities accruing to individuals, wipeouts are the costs borne by groups or by one territory that benefits another:

> wipeout activities are planning actions, regulations, denials of permits, and governmental uses of land that create nuisance-like results. These are wipeouts that are the domain of what may be referred to as the property rights group. But the concept is large enough to include wipeouts suffered by the public when government permits

> certain kinds of private actions that in turn create negative impacts, or what some call negative externalities. (DiMento 1990: 2)

Planning legislation in Canada prohibits compensation for wipeouts. For example, the Alberta Planning Act states specifically that "nothing in this act or the regulations or in any regional plan, ministerial regional plan, replotting scheme or land use bylaw gives a person a right to compensation" (as quoted in Cullingworth 1987: 186). To get around this legislative hurdle, restitution for wipeouts is most commonly accomplished through transfers of development rights. Also included would be "in lieu fee programs and direct governmental acquisition activity" (Glickfield 1990).

Another way to secure compensation for groups structured by social justice is to seek recompense through the use of the "public balance sheet", a way to tally up "the tangible, measurable, quantifiable costs being imposed on citizens individually and collectively by the actions of the private sector" (Smith as quoted in Feagin and Parker 1990: 289):

> The social costs and social inefficiencies of market-oriented development under modern real estate capitalism take a variety of forms: the shortage of affordable rental housing, large numbers of people displaced by urban developments without suitable housing alternatives, chronic racial segregation, enhanced traffic congestion, air and

> water pollution, constrained choices for consumers because of development decisions of housing, and taxpayer burdens from tax subsidies for developers. Progressive people's movements in cities have tried to measure and document these costs and to bring pressure on developers, bankers, and other investors to compensate the citizenry and their communities for the broader social costs that profit-driven urban development creates.

The methods for calculating a public balance sheet or creation of a development agreement are not important here. Rather, the purpose was to address the different ways that are being developed to resolve inter-relational conflict between those structured by social justice or individual profit. Expressed more broadly the notion of this kind of inter-relational conflict may be viewed as the "Reformers Paradox". It is the notion that to seek justice "runs headlong into the pattern of existing claims that cannot - in the interests of the very justice that provides that rationale for the entire enterprise - be brushed aside as an irrelevant obstacle" (Rescher 1986).

7.3 Conclusions

There are three factors that mediate the inter-relational conflict between the three essential relations structuring the real estate development process. They are urban managers, participation, and externalities. As a substructure that seeks to address land-use conflicts, all factors of mediation attempt to maintain the status quo. The mediation by urban managers and participation are largely provided as information to all participants structured by an essential relation. For externalities the mediation is increasingly accomplished through the market mechanisms.

Now that the retroduction of the essential relations and factors of mediation is complete, the analyst's conception of the real estate development process - the ideal - has been established. The next task is to examine the real "situation". To do so, a qualitative approach to understanding the real will be presented in Chapter 8. Then, in Chapters 9 and 10 the "limits to action" of each participant structured by an essential relation or factor of mediation will be illustrated through the use of indepth interviews with the participants. In the final Chapter (11) a **Reality Check** uses the ideal to inform the real.

CHAPTER 8

A Qualitative Method For Understanding The Real

8.0 Introduction

Now that each essential relation and factor of mediation has been retroduced, the second phase of the hermeneutic spiral, consideration of the ideal, is complete. The purpose is to use these new conceptions to inform the real "situation" (the first phase of the hermeneutic spiral). To begin this final phase of this **Reality Check**, the methods for researching the real will now be established.

There are five sections. First the reasons for researching the unique (a "situation") are considered in light of the realist methodology presented in Chapter 4. Then, as recommended by Sayer (1992: 255), qualitative analysis will be explored as the method for examining the unique. Finally, three notions central to a qualitative approach to understanding the real - "preunderstanding", "access" and "data" (Gummesson 1991) - are addressed. In sum, this chapter serves to justify the approach to the data, establishes the reasons for selecting the case study, and provides an explanation of the involvement of the researcher as a "primary research instrument".

The intent is to make the process of research, as well as the findings, explicit. As a result this chapter contains considerable detail which may seem, at times, ponderous to those schooled in other research traditions. It was a difficult choice to place this chapter at the introduction to the analysis of the real, instead of at the beginning of the thesis where the preunderstandings were defined. However, this order was chosen in keeping with the flow of the hermeneutic spiral.

8.1 The Goal Of Examining the Unique

Examination of a unique "situation" is a process of "learning by doing":

> Instead of specifying the entire research design and who and what we are going to study in advance we can, to a certain extent, establish this as we go along, learning about one object or from one contact leading to others with whom they are linked, so that we build up a picture of the structures and causal groups of which they are a part. This in not intended as a justification of empty-headed 'fishing expeditions'. It is just a counter to the rather peculiar idea that researchers should specify what they are going to find out about before they begin and an acknowledgement of the need to develop research procedures which do not inhibit learning-by-doing. (Sayer 1992: 244 - 245)

It is the development of a learning-by-doing method of understanding a particular "situation" that is the **goal** of this chapter. The **purpose** is to understand the particular, not to generalize about the similar (Sarre 1987: 5). The **process** is to "uncover the nature of the social world through an understanding of how people act and give meaning to their own lives" (Eyles 1988: 2). Its **focus** is on the "intersubjectivity" of individuals, the shared basis of experience. Schumacher (1977) calls it "descriptive science"; Eyles (1988) calls it "interpretive geography". A generic term is qualitative analysis.

8.2 Qualitative Analysis

Those seeking to answer questions about "how to live", or how to actively "improve reality", are searching for a way to understand the unique. As Schumacher notes, "Without the qualitative concepts of 'higher' or 'lower' it is impossible to think of guidelines for living which lead beyond individual or collective utilitarianism and selfishness" (1977: 14). Cybriwsky (1978) was concerned that most approaches to understanding urban patterns failed to connect the real experiences of residents with insights into their attitudes, anxieties, and behavioural processes. To address this problem Cybriwsky sought to understand the context of an inner city neighbourhood by using qualitative methods.

Cybriwsky is not alone. As traditional methods of social research are increasingly seen as 'inappropriate' ways of seeking these kinds of understandings (Walker 1985: 3) others are also adopting a qualitative perspective[1]. This is because

> qualitative techniques "tend to be less structured than quantitative ones and can therefore be made more responsive to the needs of respondents and to the nature of the subject matter". (Walker 1985: 3)

To consider "the nature of the subject matter" is to consider the relations contingent to a structure.

8.2.1 Qualitative Analysis Defined

In an effort to understand the essentials of a qualitative approach, Ely _et al._ (1991:3) outlined six principles which will serve here as the definition of a qualitative method:

1. Events can be understood adequately only if they are seen in context. Therefore, a qualitative researcher immerses her/himself in the setting.
2. The contexts of inquiry are not contrived; they are natural. Nothing is predefined or taken for granted.
3. Qualitative researchers want those who are studied to speak for themselves, to provide their perspectives in words and other actions.

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[1] In contrast, researchers seeking generalizations often quantify social interactions. Sarre (1987: 8), a realist, acknowledges that "statistical methods can be used to identify some regularities even in complex issues".

Therefore, qualitative research is an interactive process in which the persons studied teach the researcher about their lives.

4. Qualitative researchers attend to the experience as a whole, not as separate variables. The aim of qualitative research is to understand experience.
5. Qualitative methods are appropriate to the above statements. There is no one general method.
6. For many qualitative researchers, the process entails appraisal about what was studied.

In sum, the goal of qualitative research is to get "close to the data" (Walker 1985: 12) by learning about social processes from the perspective of a participant. Using a qualitative approach, there is the possibility "to acquire understanding through empathy and to achieve the degree of insight that Weber termed **'Verstehen'**. Such insight can only be obtained if the researcher is permitted fully to engage his subjects rather that to adopt a stance of uncommitted neutrality" (Walker 1985: 12 - 13). 'Verstehen' requires "thick description" (Eyles 1988). It is concerned with conveying "what is". The goal is that "Once 'what is' is known...answering the question 'why?' can be accomplished" (Walker 1985: 16 - 17).

In order to develop a qualitative method to achieve a "realistic" understanding of the real, Gummesson contends that four issues must be addressed: paradigm, preunderstanding, access, and data (1991: 179 - 180). The first, the paradigm, is the methodological underpinnings that govern the thinking and behaviour of researchers (Gummesson 1991: 15). As was explained in Chapter 4, realism is the "paradigm" adopted here.

8.2.2 Preunderstanding

The second issue to be addressed as a way to develop an adequate qualitative method focuses on a researcher's preunderstanding - "people's knowledge, insights, and experiences before they engage in research" (Gummesson 1991: 50) - the first stage of the hermeneutic spiral. Preunderstanding focuses on **personal experience** as an essential element in the process of collecting and analyzing information. It also views the researcher as a **key research instrument** (Gummesson 1991: 53).

Qualitative research is strengthened when there are high levels of preunderstanding garnered through practical experience[2]. Intelligent action is first informed by highly skilful and complex preunderstandings, most of which are tacit. One then acts, producing information that can be used for reflection, and then reflects, in order to discover what reasoning informed the action[3]. One then acts again. A participant has a stream of action, a hermeneutic spiral. Continuously, new preunderstandings are created.

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[2] This is in stark contrast to traditional social science which presumes a detached observer. In the traditional perspective a detached stance is seen as necessary to gain objective knowledge, and a high level of preunderstanding could well be considered a disadvantage because it may bias the results.

8.2.3 Access

The third concern to be addressed when developing a qualitative method is a researcher's access to the participants. It is the ability to get close to the object of study, "to really be able to find out what is happening" (1991: 21), to collect real world data (Gummesson 1991: 11). Access is "the researcher's number 1 problem" (1991: 21). The best qualitative methods are those which provide the highest levels of access.

To attain good access many researchers seek familiar "situations". Evans (1988: 205), for example,

> decided that the research setting should be that of the community where I had resided all my life. The reasons for this were largely those of familiarity; there were no problems of access or of adopting a participating role, since these were already defined by the researcher's own background in the area.

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[3] The **Reality Check** seeks a specific kind of reflection: to inform action through the retroduction of the essential relations structuring a participant and providing their "limits to action".

Gold (1958) created a typology of field roles based on the kinds of access researchers have. He outlined a continuum of participant research, from most to least involved: the complete participant, the participant as observer, the observer as participant and the complete observer. While Gold's typology is not applicable to the preunderstandings (Chapter 2), in Chapter 3 and forward this **Reality Check** adopts, in Gold's terms, the role of a complete participant.

Like most qualitative analysis, key components of complete participation include the use of the researcher as a "methodological tool" (Evans 1988: 199), and the need for **Verstehen:** "an endeavour by the researcher to achieve an empathic knowledge of the state of mind of the actor to reconstruct social phenomena" (Evans 1988: 199). As Gummesson claims, "a thorough analysis of a particular process will require the use of the researcher's personal observations that result from their presence, participation, or even intervention in the actual processes to be examined" (Gummesson 1991: 73).

In the 35 years since Gold created his typology, new forms of participant research have evolved that seek to more closely define the relationship between the researcher and the researched. Because this **Reality Check** is based on complete participation, as is common to business consultancy, management research is used to more carefully examine access[4].

8.2.3.1 The Change Agent

Gummesson (1991: 34) conceives of seven kinds of access available to researchers (Figure 8.1). Of the seven, the "change agent", someone who assumes "active participation for a period of several months up to a couple of years" (Gummesson 1991: 37), has the most access. It is this role of change agent that most clearly identifies my participation in the "situation". As the real estate developer I was most directly involved over the longest period. In Gummesson's terms I was analyst, project participant, catalyst, and interventionist. This is a view of a change agent that is common to consulting and business applications[5]. "The change agent works with cases...[and] a thorough analysis of a particular process will require the use of the researcher's personal observations that result from their presence, participation, or even

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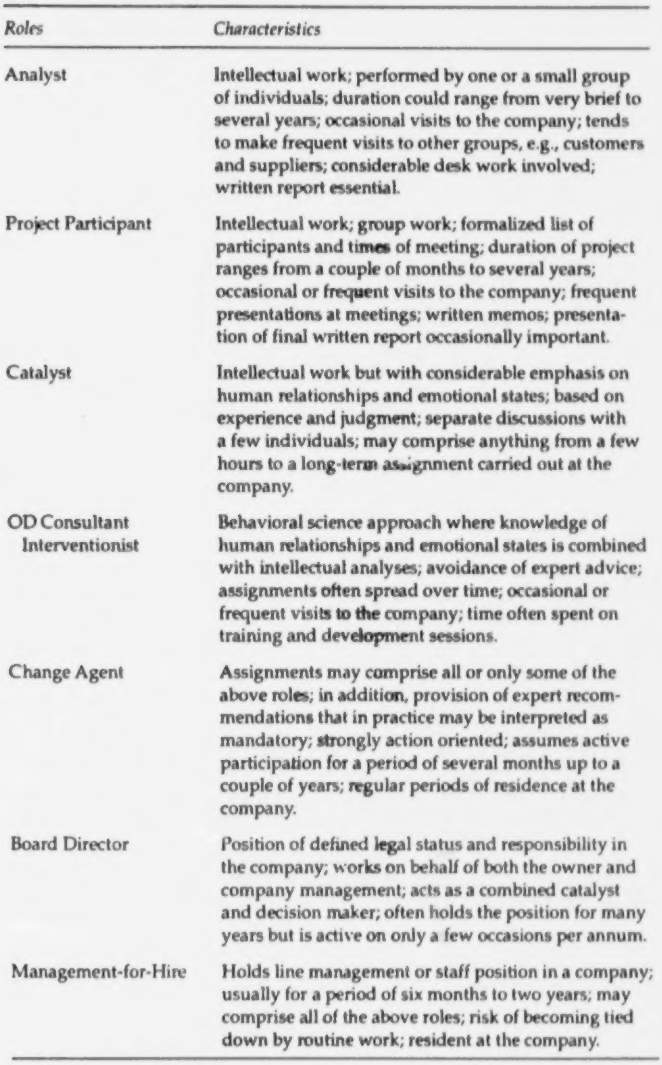
[4] Other participation roles considered were ethnography, action science, and participant action research (PAR). The last two involve practitioners as both subjects and co-researchers. They "create an environment in which participants give and get valid information, make free and informed choices (including the choice to participate), and generate internal commitment to the results of their inquiry" (Argyris and Schon 1991: 86). All, however, are increasingly relevant to those considering empowerment. They are, therefore, only a partial approach and not adequate for a **Reality Check** which seeks a broader understanding of what structures participants.

[5] Some, for example Rahnema (1992: 123), hold that a change agent's sole role is that of catalyst.



Roles	*Characteristics*
Analyst	Intellectual work; performed by one or a small group of individuals; duration could range from very brief to several years; occasional visits to the company; tends to make frequent visits to other groups, e.g., customers and suppliers; considerable desk work involved; written report essential.
Project Participant	Intellectual work; group work; formalized list of participants and times of meeting; duration of project ranges from a couple of months to several years; occasional or frequent visits to the company; frequent presentations at meetings; written memos; presentation of final written report occasionally important.
Catalyst	Intellectual work but with considerable emphasis on human relationships and emotional states; based on experience and judgment; separate discussions with a few individuals; may comprise anything from a few hours to a long-term assignment carried out at the company.
OD Consultant Interventionist	Behavioral science approach where knowledge of human relationships and emotional states is combined with intellectual analyses; avoidance of expert advice; assignments often spread over time; occasional or frequent visits to the company; time often spent on training and development sessions.
Change Agent	Assignments may comprise all or only some of the above roles; in addition, provision of expert recommendations that in practice may be interpreted as mandatory; strongly action oriented; assumes active participation for a period of several months up to a couple of years; regular periods of residence at the company.
Board Director	Position of defined legal status and responsibility in the company; works on behalf of both the owner and company management; acts as a combined catalyst and decision maker; often holds the position for many years but is active on only a few occasions per annum.
Management-for-Hire	Holds line management or staff position in a company; usually for a period of six months to two years; may comprise all of the above roles; risk of becoming tied down by routine work; resident at the company.

Figure 8.1: Gummesson's Characterization of Researcher Roles
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intervention in the actual process to be examined" (Gummesson 1991: 73).

As a participant, I had access not normally available to those studying a social process. As a change agent, I have been placed in a unique position to examine a land use conflict from the perspective of a participant.

8.2.4 Data

The fourth concern that Gummesson raises is the quality of the data necessary to seek an understanding of the "situation". As Haggett (1965: 186) showed, and as summarized in Figure 8.2, there are three sources of data used by geographers: theoretical work, archival sources and field observations. All are used here.

Haggett restricts his notion of "theoretical work" to the development of models. Here, however, it includes an explicit understanding of the philosophical and methodological perspective adopted prior to undertaking research, as well as the retroduction of the essential relations structuring a social process.

Archival sources, Haggett's second source of data, include here the rezoning application, and other written correspondence filed with the City. A video transcript which could have provided the most detailed record of the public hearing was destroyed by the City Clerk after the minutes of

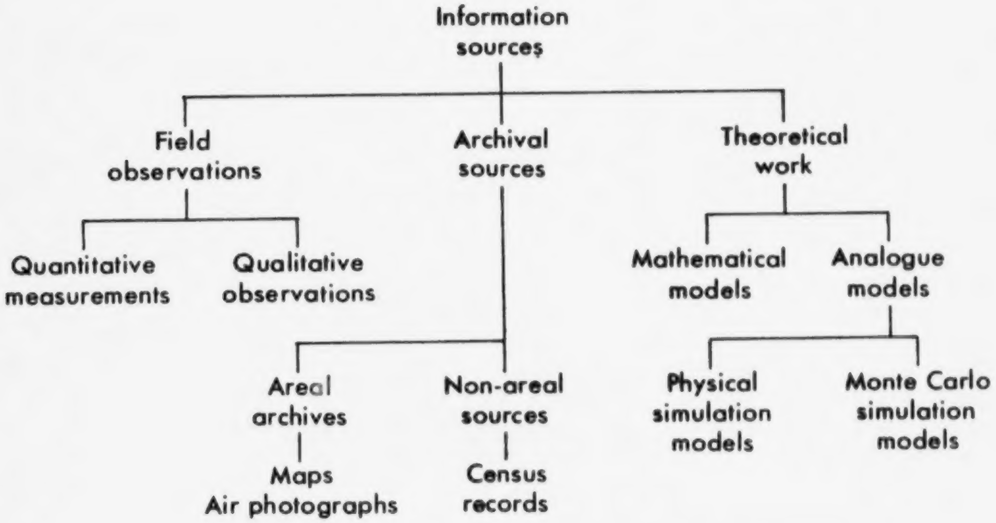

Figure 8.2: Haggett's Sources Of Data

the meeting had been officially adopted, and before I had need of it.

Field observations, Haggett's third source of data, are the most extensive kind of data used in this work. They include the review of the "situation" (Chapter 2) and in-depth interviews (Chapters 9 and 10).

8.2.4.1 Case Studies As A Data Source

By definition, a **Reality Check** seeks to understand a "situation", or as it is more commonly called a case (the investigation of a contemporary phenomenon within its real life context) (Yin 1989). Traditionally, case studies have been important when "how and why questions" are asked (Yin 1989: 18). Yin reviews the benefits of case studies:

> The most important is to explain the causal links in real-life interventions that are too complex for the survey or experimental strategies. A second application is to describe the real-life context in which an intervention has occurred. Third, an evaluation can benefit, again in a descriptive mode, from an illustrative case study - even a journalistic account - of the intervention itself. Finally, the case study strategy may be used to explore those situations in which the intervention being evaluated has no clear, single set of outcomes. (Yin 1989: 25)

Building on these notions, Gummesson (1991) identifies three types of case study research: exploratory, descriptive, and explanatory. Exploratory case studies are essentially pilot studies (test cases of larger projects); descriptive case studies seek to describe a situation (analysis and interpretation but not prediction or prescription), and explanatory case studies attempt to seek an understanding of a "situation". As a realist study, undertaken by someone with a high level of preunderstanding, all three approaches are an important part of the case considered here. A **description** of the case was provided in Chapter 2. The thesis, being based on one case study, may be considered an **exploratory** case. In the following two chapters an **explanatory** approach uses in-depth interviews to reveal the essential relations structuring the participants.

8.2.4.2 Choosing A Case Study Design

Although a case study is an effective way to answer the kinds of questions asked in this dissertation, the number of cases (single versus multiple case design) and their complexity (holistic versus embedded) need to be addressed. Yin (1989: 46f) outlines four case study research designs: single case (holistic) designs; single case (embedded) designs; multiple case (holistic) designs; and multiple case (embedded) designs. Represented in a matrix (Figure 8.3) the

	Single-case designs	Multiple-case designs
Holistic (single unit of analysis)	TYPE 1	TYPE 3
Embedded (multiple units of analysis)	TYPE 2	TYPE 4

Figure 8.3: Yin's Typology For Case Study Research
(Reprinted By Permission Of Sage Publications Inc.)

four designs are based on the assumption that single - and multiple - case studies reflect different design considerations and that within these two types, there can be unitary or multiple units of analysis (Yin 1989: 46).

The first task is to choose between an "embedded" or a "holistic" design. An embedded design is used when, within a single case, there is "more than one unit of analysis" (Yin 1989: 49). In contrast, a holistic design seeks to understand an entire process and is advantageous when "no logical subunits can be identified" (Yin 1989: 49). Those holding a holistic perspective believe that the whole is not identical to the sum of its parts (Gummesson 1991: 86), the view held here. As such, a holistic design meets the criterion of a **Reality Check.**

Left to be justified is the selection of a method that involves only a single case. Yin provides three criteria that must be met if a single case study design is chosen. First, "A single-case study is analogous to a single experiment, and many of the conditions that justify a single experiment rationalize a single case study. One rationale for a single case is when it represents a **critical case**" (Yin 1989:47). This **Reality Check** seeks to study a critical case because it retroduces the essential relations structuring the real estate development process for the first time. As such, it has the potential to make a "significant contribution to knowledge [knowing] and theory building" (Yin 1989: 47).

Yin's second criterion for using a single case is "where the case represents an extreme or unique case" (1989: 47). As noted previously it is the search to understand the uniqueness of the "situation" that is the essence of a **Reality Check**.

The third criterion for a single case design is when the "situation" is a particularly revealing one: "This situation exists when an investigator has an opportunity to observe and analyze a phenomenon previously inaccessible to scientific investigation" (Yin 1989: 48). The opportunity to be both analyst and participant (a change agent) in the examination of the real estate development process is unique.

8.2.4.3 The Particular Case

While the argument has been made that this study meets the requirements for a single case holistic design, yet to be discussed are the reasons for choosing this particular "situation". There are five reasons. First, this case was chosen because of the time it takes to complete a development. The development process typically constitutes an involvement of eighteen to thirty-six months from initiation to completion. The consideration of a case which had already been settled was therefore both practical and efficient.

Second, at the time I began my graduate program I was not in the position of being a change agent, thus denying me the kind of access I had in this case. As the change agent, the case is more familiar to me than to any other participant. For the purpose of accomplishing the goal of this work such familiarity with the real is essential.

Third, even if I were to attempt another project offering the same change agent role, the problems of finding a proposed project in Alberta that would be suitable for a "change agent" are immense. While not totally devoid of new commercial development, Alberta's economic circumstances, due to a province-wide economic restructuring, have limited new opportunities.

Fourth, this "situation" provided the motivation for the entire dissertation and fulfils my desire to reflect upon, and understand, the failure of this particular project.

Finally, my experience as a developer indicates that this case had those ingredients necessary to provide a base for the retroduction of the essential relations structuring the real estate development process.

In sum, because this research facilitates the examination of a "situation" by a change agent, and because finding another case with this relevance at the time I was beginning my graduate program would have been difficult given constraints of time and resources, this particular "situation" was chosen.

8.2.5 The Data Collection Method

As England et al.(1987: 251) have noted, a hermeneutic approach "might include a large number of lengthy, relatively unstructured interactive interviews". Also called open-ended interviews, but most commonly in the literature called depth-interviews (Jones 1985: 45 -55), they are most appropriate if the researcher has high levels of preunderstanding and access. Their purpose is to allow the participants to:

> bring to bear upon events a personal framework of beliefs and values [preunderstanding], which they have developed over their lives to categorise, characterise, explain, and predict the events in their worlds....For to understand other persons constructions of reality we would do well to ask them [access] (rather than assume we can know merely by observing their overt behaviour) and to ask them in such a way that they can tell us in their terms (rather than those imposed rigidly by ourselves) and in a depth which addresses the rich context that is the substance of their meanings (rather that through isolated fragments squeezed onto a few lines of paper). (Jones 1985: 46)

To be successful in achieving the goal of bringing "to bear a personal framework for beliefs and values" (how a participant is essentially structured), the questions asked in a depth interview require a balance between structure and ambiguity. Respecting structure, the object of a **Reality Check** is not to predict in advance what could be of interest to the participant or the researcher, so "time and space" must be provided for the participant to elaborate their own concerns (Jones 1985). As a consequence, a highly structured list of questions would restrict the aims of a **Reality Check**.

However, if an interview is totally unstructured, the data may be ambiguous. To avoid this an interview must have some direction if it is to be of benefit to a **Reality Check**. Therefore, a balance must be struck between the "ideal" of the self-directed participant, and the "real" needs of the researcher[6]. As a consequence, I had "some broad questions in mind" (Jones 1985: 47).

While tailored to each participant depending on their involvement, the inquiry in each interview[7] was confined to **two basic questions**. The first related to the real estate development process and the context of the "situation". The focus was on process:

> **"How did you approach this particular application to rezone this site?".**

The goal was to determine what steps each participant went through to determine their position with respect to this particular application[8]. These responses were presented in Chapter 2 as part of a review of the "situation".

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[6] That is, the real needs must inform the ideal needs: a mini-**Reality Check**.

[7] Each interview was scheduled for two hours, and was tape-recorded.

The second question sought to determine how each participant was structured and how this informed their actions:

> **"Why were you involved, and what were your motives?".**

The goal was to determine how each essential relation assisted in explaining a participant's limits to action. The responses to this question are presented in Chapters 9 and 10.

8.2.5.1 The Data Quality

The quality of the data arising from an interview is influenced by their relevance to the person interviewed[9]. Someone may either refuse an interview, or if granted, may answer incompletely if they believe an interview to be irrelevant. As a result, the change agent must make a judgement about the quality of the answers and their admissibility. A benefit of using this "situation" was that

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[8] For example, it seemed clear from the planning report that the site's relative location, its suitability for a commercial use, the externalities created, the physical impact of the proposal on nearby residences, and the uses to be permitted were those factors considered by the **City Planner**.

[9] This became very clear when, as a junior consultant, I found that persons uninterested in my research project would give overly generalized or patently false information which could put an entire project in jeopardy.

I had developed relationships with all but one of the participants. Also, because each were participants in the process, a higher level of interest seemed likely than might have been obtained from a bystander.

There were two cautions. First, it was recognized that a participant might be reticent about providing fully forthright answers to an "opponent" even though the issue was settled five years previously. This proved to be an unwarranted concern in this case. All participants seemed especially candid in their responses. Second, the time delay between the resolution of the conflict and the interviews made recollection of some specific details difficult for the participants. Where possible, archival data were used to fill the gap.

In determining the kinds of understanding a **Reality Check** provides, one acknowledges the process of deciding what is relevant and significant, called selective interpretation. The:

> qualitative researcher cannot point to the test, the sampling procedures, the statistical treatment, the outside expert. They can only point to themselves and how they decided to sample, to treat data, to work with others, to confer with experts, to carry out research, and to share their findings. This is so because they are their most important instrument...people know a great deal from their own past and present experiences, from how their vision

> has been honed, from their evolving insights and hunches. Much of what we know is unspoken inside us. These same people as qualitative researchers do not attempt to separate themselves from what they know tacitly or, for that matter, openly. Indeed they use their tacit knowledge in important ways. They listen to their hunches. They attend to the seemingly unrelated sense of direction that pops into their heads at odd moments. They heed their own feelings. (Ely _et al._ 1991: 103 - 104)

The **Reality Check** seeks this kind of involvement. It offered past participants the opportunity for reflection. It offered me the opportunity to seek a new basis of understanding.

8.3 Conclusions

"You can add up the parts, but you don't have the sum"
(Leonard Cohen **Anthem** 1993)

Cohen expresses the perspective of those intent on taking the kind of qualitative approach to the real described in this chapter. The qualitative examination of the real follows a humanistic perspective similar to that undertaken by many, and exemplified by Porteous (1989) in his analysis of Topocide. There, Porteous adopts the position of an **inpert**, as opposed to an expert, who much like the role of the change agent is a self-conscious articulate observer who often has 'outsider' contacts or skills. By undertaking research as an insider, the task is appreciation.

By acknowledging one's subjectivity, the goal becomes the examination of "what is" as objectively as possible. This chapter has sought to outline how the real might be examined. It has adopted the qualitative analysis of a case study as its research design. It seeks an understanding of the process, and of the participants, through my role as change agent.

The next two chapters will provide in-depth interviews with those participants structured by the three essential relations and factors of mediation. They will seek to provide insights into how each participant was structured, and how they used the ideal to inform their reality.

CHAPTER 9

The Limits To Action Of Those Structured By An Essential Relation

9.0 Introduction

Based on the retroduction of the essential relations structuring the real estate development process and using the qualitative approach to the real outlined in the previous chapter, a number of participants were interviewed. The purposes include a fuller exploration of the "situation", and an examination of how the essential relations and factors of mediation structure participants and set their "limits to action". The participants structured by the three essential relations are considered: the **Developer** (structured by an essential economic relation); the **Community President** (structured by an essential social relation); and the **Ward Alderman** (structured by an essential political relation).

Based on a qualitative approach to the real, portions of the transcripts of the in-depth interviews with these participants are included verbatim. After each transcript is presented, the ideals claimed by each participant (their "limits to action") are compared with their actual behaviour (their "range of action").

9.1 The Economic (Individual) Relation

Some participants in the real estate development process are structured by an essential economic relation. As explained in Chapter 5, while all participants can be expected to be concerned with economics it is the developer who is most likely to be structured by profit. The **Developer**[1] was interviewed to determine if his "limits to action" were defined by a profit motive. This interview, as is true for all the interviews that follow, was based on the two general questions outlined in the previous chapter (8.2.5). A few of the **Ward Alderman's** comments help to fill out a perspective of the **Developer's** "limits to action"[2].

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[1] This was a self-interview. It should be noted that the interviews were undertaken in 1992, four years after the process was concluded.

[2] Only the **Developer's** perspective is explored as there did not seem to be other individuals concerned enough about their property values (individual economic relation) to mount a strong defence on that basis. While a few citizens wrote to City Council to complain about the development, none specifically referenced a concern about a decline in their property values.

9.1.1 Developer

Q: Let's talk first about your development company. Why were you in development, and what was the company trying to accomplish?

A: When I got my MA [Master of Arts] in 1979, I put my thesis under my arm and attempted to seek out clients for whom I could consult. I had done a consulting contract (for the City of Calgary) as part of my thesis work. As a result, I thought if I could find other clients I might be able to create a job for myself. I indeed got a contract that paid very well, and it lasted for 13 weeks; wherein I was offered a job with a commercial developer. While I was hired to undertake market analysis, I was soon doing commercial development work. From early 1980 to the end of June 1984 I learned commercial development, with a focus on developing strip shopping centres. I also did some office developments and some industrial developments as well.

In 1984 I could see that the company would not survive [an economic downturn plagued Western Canada at the time], so on July 1st of that year I went back to private practice. I did some leasing, as well as contract development work, including working on behalf of developers on long range planning documents.

In 1985 I formed a company called Spacemakers with an associate. His expertise was construction management, mine had become retail leasing and development, or should I say redevelopment of properties that were distressed. They were small properties but ones with which I had developed an expertise. One was a shopping centre in Maidstone, Saskatchewan that had been built but never leased or financed, by a group of engineers at a large oil company. Another was a property in south-east Calgary owned by a credit union.

The goal of Spacemakers was to get our "bread and butter" off of our consulting contracts, and then make profits off of the development of small strip shopping centres. But, soon my development activities became paramount. Development opportunities did in fact arise out of my leasing activities. My partner would do the construction work...so that was all fine. However, the investment side of development had radically changed as a result of the recession, and this left us vulnerable.

Q: What do you mean?

A: The development business in Calgary, up until the recession of the early '80's was one where, in commercial development at least, firms made their money by "financing out". This meant that on a project by project basis, developers received from their lenders 100% - 120% of project cost. As a result, not only did they not need any equity, they often put "cash in their jeans" for every project they did. That is, they were able to develop the project, at no cost, and then sell the project at a favourable "cap." [capitalization] rate, and make in the hundreds of thousands of dollars for a small project.

After the recession, however, borrowing requirements changed. Interest rates remained relatively high and cap. rates rose (making projects worth less). Equity requirements became (a more normal) 20 - 25% of value. For a small project worth a million dollars, the requirements were up to a quarter of a million dollars. As a developer, some of these costs could be absorbed as sweat equity[3]. Especially important were development overhead [expenses] and construction profit. Spacemakers was able to do both of these at wholesale, and mark them up to retail, as it were. So we were able to reduce the actual cash equity for a project, but that left us less time to do our consulting work, and it left the operations side of the company (which has to fund the day to day operations) vulnerable. Because development work is front-end intensive [that is where the risk is], I became a full time developer, leaving my partner to try to carry the load of earning enough money to pay all our bills.

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[3] "Sweat equity" is a non-cash form of equity (like "soft-costs", permit fees, and in-house "consulting costs") that financiers accept as a form of cash put into a project.

I provide this long explanation because one of the weaknesses in the development business, and you can see it with the Reichmanns too, is that development is deal-driven. It often requires the next deal to generate the financing to pay for the ongoing operations. The reason for this, is that whatever cash there is, is invested as equity into projects. Whether that is sweat equity as it was for Spacemakers, or whether it is cash equity, often raised through a line of credit, a developer's month by month costs are difficult to cover.

For Spacemakers, development was even more risky. Because there was a shortfall between our sweat equity and the total equity required for each project, we had to go to a merchant banker. This left us [essentially] as a contract developer with all the risk, and very few rewards. To be successful, we had to count on falling capitalization ("cap.") rates - which would raise the value of the project[4]. During the time we were developing, cap. rates did not fall and as a result we were even more vulnerable. I often said of our merchant banker that although he had white hair and looked like Santa Claus, there were no gifts. His interest rate was 15%[5]. He took an equity share, personal guarantees from the principals of Spacemakers, and put a cap on our salaries to protect the company.

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[4] As capitalization rates fall project values rise. For example, consider a commercial project with a revenue stream of $100,000. At a 10% cap. rate, the value of a project is $1,000,000 ($100,000 divided by .10). At a 9% cap. rate, the value is $1,111,000.00; at 11% it is $909,000.00.

We did two projects in Grande Prairie on this basis. The first was a small strip mall, the second was the redevelopment of a 10,000 sq. ft. office building for which I had secured The Government of Canada as a tenant. Then we looked to Calgary. That is when I decided that this site in Bowness might be interesting.

Q: What was the outcome of the loss at the public hearing?

A: The time spent on this proposal meant a significant drop in earnings to support the ongoing operations of the company. For my partner, who was interested in the financial gains of development without being of the frame of mind to fully accept the risks, he decided that he wanted to retreat back to the construction management business and get rid of the overhead of the development business...that meant the end of our efforts to develop, and the company was wound down. For me, I was very confused as to why we lost. It sent me on a five year search to discover the "why". This dissertation is the end result.

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[5] The prevailing mortgage rate at the time was 11%.

9.1.2 Ward Alderman

Q: Did I [the **Developer**] do a good job?

A: Yes, you worked out in the area. The **Community President** would still comment on that. You did a good job on canvassing the area and convincing people this was a good project. "Here I am, and if you have a problem call me", and "if I can do something about it, I will". There are three kinds of applicants. The kind that does it on spec, the kind who's there to play hard ball, and the kind of applicant who is genuinely sincere about trying to get something approved on the site without getting into a big hard ball game.

Q: Could I have played hard ball, and won?

A: I don't think so.

Q: If I had hired Brian Scott[6] could I have won?

A: Well Scott would have been your man. It would have improved your chances a little bit. I'm not sure you could have tipped that one over. I'm not sure you didn't

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[6] Arguably, the most powerful of the development lobbyists in Calgary.

> get all you could have gotten[7]. I'm not sure he would have convinced that one extra person.

9.1.3 Determining the Developer's "Limits To Action"

It seems clear that the **Developer's** "limits to action" were structured by "the deal". His perspective was capitalist and individualist. The development proposal was his creation. Through his actions he expressed his desire to influence the entire neighbourhood with his personal vision. The goal, as Neal and Paris (1990) suggested, was the creation of a certain kind of "virtue", while ignoring other virtues.

The **Developer's** "limits to action" focused on creating wealth. His "range of action" was influenced by bargaining with the **Community**. His bargaining position was in keeping with his desire for individual profit, and were reflected in his desire to negotiate with his competitors, those in the **Community**.

9.2 The Social (Justice) Relation

The participant believed to be structured by an essential social relation is the **Community President**. The portion of the interview focusing on questions relating to how he was essentially structured, follows.

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[7] This was Spacemaker's conclusion at the time. We had discussions with a lobbyist, who confirmed that we would have been no further ahead by hiring him. This is apparently confirmed by the **Community President** who claimed, off-tape, that the **Ward Alderman** dislikes anyone with money, "especially developers and lawyers".

9.2.1 Community President

Q: Why did you get involved [in the community association] twelve years ago?

A: Well, I always had a love of politics. It's a passion of mine, it doesn't matter what level, municipal, provincial or community. My kid was growing up and we decided to put him in the hockey program up there, and I was getting railroaded onto the executive. It was a very, very low position. The next thing I know, within a matter of two months, I was offered one of the vice-president positions because of in-fighting within the association.

It gets in your blood. You have to love your community, you have to love the people, you have to be willing to work for absolutely nothing as far as any finances are concerned, and as far as any accolades are concerned. That was the reason I stayed as many years as I did. First of all I love the Bowness Community with a passion and so, as I got more involved and more involved, I believed that I had the leadership ability to make this community even better than what it is.

If I had to use one particular issue as far as making the community better, I would say it would be the [poor] reputation of Bowness. We have spent 40 years getting this reputation and I spent 12 years trying to get us out. I believe that I did do some good in that area, as far as changing some viewpoints in the rest of the people in the city. Very small, but I think I did play a part in it. That was my main ambition, to change people's attitudes about this area.

This is not a "bad" community. The reputation that we had came in the '50's and '60's when we were our own small town. When we got annexed to the City in 1964 the reputation stuck with us because we always had rivalries going with the kids in Montgomery, which was its own independent town, and then there were the kids of Forest Lawn which was also its own independent town. So we had these constant rivalries going and that's how our reputation got to be that Bowness was a real tough neighbourhood. It was strictly through what happened back in the '50's and '60's. Today the community is no different than any other community. Our problems are the same as they have in Lake Bonavista and Mount Royal.

Q: So what are the politics of the community association?

A: I thought I had something to give to these people: leadership. I led the people for 6 years as the president. Prior to that I led them in other areas for

6 years. I believed that this community was the best in the city, bar none, that we were very fortunate to be living in this community, that the people here were good people.

What holds this particular community together is the hockey program. That is first and foremost here. People join our community association because their kids want to get into hockey. This is the strongest area of our association, so we spend a phenomenal amount of time catering to the hockey group. I was always of the opinion that our role as a community association was to get as many kids as we could involved in something, not just hockey, and I set about to try to set up many different programs so that all the kids could get involved, as many as we could. We had very reasonable prices that people could afford, because as you probably know, Bowness is a low income group. We have a lot of single parents, we have a lot of welfare parents, we have a lot of full parent families, but of a low income. They come to Bowness because there's low rental, because it's an older community, the houses are old and those houses don't rent for anywhere near what they'd rent for up in Silver Springs or Varsity Acres. Now you've got all these groups coming down here and they want the same services as anybody else in the city.

I felt that with my expertise I could get these kids involved, because I believe in kids. They are the future of the world, not just Bowness. So I wanted to do what I could do for this community, for those kids, and yet make a good contribution to society. You make it a mission. Once you set up the reason why you're there, you have to sell that to everyone else in the association. It takes a tremendous amount of tact, experience, preaching to anybody willing to listen, and letting your views become known. If you're capable of doing that, and if you stick with your mission, you will accomplish it. That's why I believe I did accomplish a little bit of my goal...

City council still does listen to the community. Still. They are the backbone of the city. And believe it or not the community association does have a phenomenal amount of clout.

Q: In what sense?

A: I represented 12,000 to 13,000 people[8]. I am the easiest contact without contacting an Alderman or the Mayor.

Q: Do they phone you?

A: Absolutely. Every time an issue would come up they would phone me and I would say "let's get involved".

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[8] This is the population of Bowness, not the paid up membership of the community association.

Q: Did you help the Ward Alderman [get elected]?

A: I personally helped him. The Community Association did not. When he wanted to use our facility, he paid rent like any other person. He was never given any favours. If another candidate came and asked if they could address our meetings I would say "yes, you are welcome". Why? Because I allowed the Ward Alderman to do it. I never, ever, showed any favouritism to any political party. Or person. Ever. That would be inappropriate. You can't do that as a community association. Not a party, not a religion. I'm just there to help these people within the boundaries of Bowness. Period. Because we're not political.

After the tape machine was shut off the **Community President** said several things that are important. He said, "You can quote me on this, over the years as president of the community association my motto was 'If it's not good for all the people, it's good for nobody'". He said he had little time for special interest groups, and that he took care to ensure that special interest groups would never be allowed to take control. He said because interest groups are ideologically motivated, they can outlast the average member of the association who is mostly interested in his kid's hockey program.

9.2.2 Determining the Community President's "Limits to Action"

It was retroduced that those structured by an essential social (justice) relation would believe that change comes from the grassroots. The goal of change is the "ill-defined" notion of a better life. This corresponds directly with how the **Community President** was structured and is reflected in his comment, "That was my main ambition, to change people's attitudes about this area". This, combined with his off-tape comment, "over the years as president of the community association my motto was 'if it's not good for all the people, it's good for nobody'", define his "limits to action".

The **Community President** saw the proposed development as an opportunity to improve the neighbourhood by bringing services and jobs (a partner in constructive changes) (Logan and Rabrenovic 1990: 87). It reinforced his social justice position. This ideal was not limited to meeting the needs of his paid-up members which, he acknowledged, were dominated by hockey and bingo. Rather, his mission was to make Bowness the "best community in the city". It was this mission that defined his "limits to action".

As a member of the **Community** affected by this particular development proposal, the **Community President** sought to balance his vision with the concerns expressed by other "communities" impacted by this land use issue. He continued to expand his "range of action" as he got more information about those most affected. He always maintained his perspective that "if it's not good for all the people, it's good for nobody". As such, his range of action closely matches his limits to action.

9.3 The Political (Power) Relation

The participant in the process structured by the essential political relation was the **Ward Alderman**. The portion of the interview with him that relates to what structures him begins at his own initiative. Pertinent comments by the **Community President** and the **City Planner** follow.

9.3.1 Ward Alderman

> ...let me tell you about the 7-7 loss. At that time I was acting up a little bit, and some members of council had decided that I was saying too much about pay raises. Let me say the 7-7 vote was a bit of an anomaly. You have to remember that at the time, my stock wasn't riding that high. Because I was too vocal about the coveted pay raise. When Aldermen Hartman and Higgins saw this item coming along, they were not going to support my position, but I knew that.
>
> The only reason the vote was as close as it was, was not on the merits or demerits of the project - 50% might

have been, but the other 50% decided to get on my case. Did you know who your key vote was at the hearing that day? The one who would tip it one way or the other? I thought you thought it was Alderman Fritz, and that wasn't the case. Normally Alderman Fritz at that time would support me and was a good supporter.

Alderman Schmall was too. However, the week before [the public hearing] I criticized his role as representative on the Police Commission. I criticized him publicly for making a personnel matter public. Schmall was taking it altogether rather sensitively. That's why he hesitated when he voted. He didn't know which way he was going to go. It was not a sure thing either way. So that was the difference between 8-6 and 7-7.

Q: Did you have your votes counted?

A: Yes, but I couldn't tell what Schmall was going to do.

Q: So you didn't know?

A: No. Because I knew he was perturbed about my comments about pay, but he couldn't say that...and his role on the Police Commission. He had a problem because I had usually supported him on most of the issues in his area without there being any formal arrangement. Usually if he had some issue going on and he wanted my support, he got it. So he was caught between alienating my support for issues in his area and my comments about his behaviour publicly as a member of the Police Commission.

Q: So let me be nasty and say that you guys just vote-traded.

A: There is no formalized system of vote trading. There is a group of us on council who have always believed that if one has a problem in their area that we will uh, uh, try to uh, see what we can do to give them a hand. Land use issues are Ward related. This matter is not a city-wide issue. On local matters some members, and in fact, most members will support the position of some citizens and the Ward Alderman. There is not a system of, "I will support you on that so you support me on this". That's what is not understood. It is not a formalized system. We don't have a party system here. It's a question of your philosophy and your views, how you, what you believe the Ward Alderman's role is.

Q: What's the purpose of a public hearing if the votes are counted in advance?

A: We bother because to change land use under the Land [Planning] Act you have to have a public hearing. Had it been a residential use, or some residential use, and had it garnered more support in the area (i.e. no opposition), had it not been long planned as senior citizen's use, the public hearing is the only system we have to approve a by-law. On your proposal there were some real merits that had to be dealt with, especially the need for senior's accommodation.

I had no idea what you were going to pull out of your hat. You were lobbying through the area and that is legal to do, and I agree with that, and talking to members of council - well I get to do the same thing. And so do other members when they are embroiled in an application. If it had been north of Bowness Road and west of 77th, there would have been no issue. The real thing is location, and the merits. If this had been a vacant site which no one had contemplated for senior's use or residential use, you would have had a cleaner shot at it. The only reason the vote was so close was that I was in a little bit of trouble with the other council members.

Q: At the community meeting that we held, you sat on the fence.

A: Because one cannot state one's position prior to a public hearing. Otherwise you, as the applicant, would have the perfect right to ask me to leave the public hearing.

Q: You hold those things very seriously, that part of it, don't you?

A: You have to.

Q: It works politically very well.

A: Allan, I learned the system over the years. The Planning Department wanted to say "well, it's vacant", but they knew it would all be settled one way or the other at the public hearing. Because the Planning Department is not the approving body they don't get into it as much as council. The same as the Development Appeal Board for development permits. The Planning Department renders an opinion, yes or no, the Planning Commission says, "well we probably agree with that but we have these extra concerns".

I led the polls in the last three elections as an Alderman and I plan to continue to do that. You don't achieve that if you don't pay attention to local issues and be serious about them. I could say, "this Matthews is a nice guy and people around the site are pretty harmless... it's just a small little deal, and we won't worry about it". That's the attitude of those aldermen around here [City Hall] who worry about elections. I don't really worry about elections. But I do worry about what happens between elections. I do what I believe, in my own mind and conscience, to properly represent the area. This is not going to be THE issue, this existing commercial over here [pointing on a map] is not going to be THE issue. Not even Market Mall in '86 was THE issue to tip the election. But they all are. They all add up between elections...

Q: Some would argue that you are inhibiting development in Bowness as a way of gaining political control.

A: Not at all. If this had been a residential use it would have been hard to argue, even if it was a private project. It's not whether it's commercial development, it's whether it's appropriate in that location.

Q: Let's go back to the job that Allan tried to do as far as garnering community support. Was the support that I had here considered as high quality support?

A: It was reasonable.

Q: The people that were opposed, as Alderman Higgins showed, the opposition was scattered around, obviously none of that had an impact on you.

A: No. Because I knew some were upset but the rest were ambivalent. When there's a split in the community, you can almost use the rule of thumb, you refuse whatever's in front of you. If there's a split you go with the refusal. If there's a split, you argue for the refusal. Because these guys don't forget. The approval guys forget. The refusal guys don't forget. You create your own opposition. The most danger to us, Allan, in public office, is not the opposition. The most danger to us is ourselves. In our actions and our own judgements. Not in the policies, but in the way they were promoted. The opposition have dedicated themselves, for whatever reason, usually have good reasons for their view. I've never taken the view that I know better than the public. Especially the public that's upset with something.

Q: That does tend towards an anti-development perspective. How do you respond to that?

A: One is charged with representing the constituents but not having better ideas than the constituents. That's my role. You clearly have to analyze the political views. Regardless, even with support, I would have had a problem ever voting for approval of this project. Even if you had everyone in favour.. It's not just a matter of who's in favour and who's opposed. It's also decided on principles. I completely reject the view that politicians have a better idea than the public. It's unsaleable - long term gain for short term pain. If you think it's political expedience, then you haven't understood. You look at what are the issues and you assess who's saying what about the site. This site was more an issue of principle than of who's in favour and who's against. Only 50% or less of the public, vote. So those who are voters will tend to pay attention and will look at what position that person who represents them took on various issues. Maybe even subconsciously.

9.3.2 Community President

The **Community President** is, by his admission, a close friend of the **Ward Alderman**. As a result his comments about the **Ward Alderman** are insightful.

Q: What was your relationship with the **Ward Alderman**?

A: My involvement's always been exceptional. He and I get along "like this" [crossed fingers]. We have become very good friends. He's a career politician and I am not a career politician, I just love politics. I ran into him at the nomination meeting three weeks ago. I have the number right to his desk. He knows where I am all the time, and I know where he is. We get along very, very well.

The reason why I have as much respect for him as I do, is because he is the only honest politician that I know personally. If there's any others I don't know who they are. He's the most honest person you'll ever run into. Beyond the realm of human thinking. You would think that politicians are out there to fill their pockets, well that's not the way he is. He is fulfilling a dream of his, well I said I love politics, well he loves it a hundred times more than I do. It's in his blood. He can't be anything else but a politician.

...he marches to his own drummer. If he doesn't agree with something, he'll tell you. If he does agree, he will tell you. But he sits on the fence a lot, an awful lot, you're not too sure what the guy's going to do at any given time.

Q: He does that, why?

A: As an Alderman he has this group of people tugging at his sleeves, and he has this group of people tugging at his sleeves. If either of those two groups know what he's going to do he becomes vulnerable. He will never leave himself out to dry. Ever. He will never let you know what he's going to do at any given time. He knows what he's going to do, his mind is made up, but he will not let you know, it doesn't matter what side of the fence you're on...

Your opposition was the #238 Legion. Now, the Ward Alderman, being the politician he is, would have been crazy to vote in favour of a shopping centre rather than a senior citizens lodge. Those people all know him and he goes to their functions, and if he was to vote in favour of a shopping centre over and above what the people really want, which was a seniors' home, it's political suicide...

So the **Ward Alderman** said [to himself], "Allan Matthews doesn't live in Bowness, he won't bring me any votes, so I'll do what the people say". This is what keeps him in power. He does what the people say...

9.3.3 City Planner

The **City Planner** was responsible for the planning department's decision to support the **Developer's** proposal. As the mediator between the essential profit and power relation he also made some comments about the political portion of the real estate development process. The comments came from a reference to participation.

> ...I don't set up the political system, I work within it. By virtue of me buying a house in a particular community on Monday, and running out on Friday saying "I don't like what's happening here and I live in this community and I have a right"...well why have you got a right? Is it impacting your house? Your yard? What is the real impact besides "I don't like it"? Is democracy being served if you listen to the rabble-rousers? The ones who dedicate their time and find great gratification in doing it...
>
> I've been before council in a public hearing where I've made two similar recommendations for very similar reasons within the same policy document area on the same street and both were for the same use. One of them council wanted to approve and the other they didn't. So, on the one they didn't want to approve they just raked me over the coals, and the other one they said, "the planner is recommending this and he's perfectly right".

And then they all come around later and say, "don't take it personally. We had to do that".

You can't have the bureaucrat making decisions in a democratic society because there has to be other factors taken into consideration rather than the infrastructure, the roadworks, the impacts. There's a whole bunch of people out there, for whatever reasons, who really don't want it, and the politician's job is to say "I understand those reasons, even though from a planning viewpoint it works".

Q: What political games go on in this jurisdiction?

A: I don't think there's direct payola, there could be, I don't know. But there are campaign contributions, friendships, social associations. If you're lucky you become part of the "in" group. They [the politicians] see you so often and they love rubbing elbows with Ron Ghitter[9] thinking he was almost premier of the province. And he's [Ghitter] coming to see me [the alderman] and asking me about this, that and the other. Last week I was a housewife or a librarian[10], now I'm a big wheel.

Politicians don't make that much money but they don't seem to be suffering. The politicians are out there supposedly to represent their community. The good ones will say "I'm representing you, but I'm not representing you right or wrong".

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[9] A powerful lobbyist, and newly appointed senator.

[10] A not too veiled reference to the **Ward Alderman**, who was a librarian before entering politics.

Q: What about vote trading?

A: I know there's a certain amount of saying "you're the ward alderman, if you don't like it because it doesn't affect my ward, I will support you. But if I support you on this one then I've got a favour owed me, and if it's a controversial one, and I would really like to support the project but for you, this time, I'll vote with you against it". Quite often at the public hearing, the debate and the vote is pretty much a done deal before anyone even votes. They'll set it up where the ward alderman will be quite adamant against. The other guys will say, "as much as I respect alderman so and so, I'm afraid in this instance"...so the ward alderman looks good because he stood up for the community, but all those other aldermen shot him down. The community says, "we lost the fight..."

Q: What is lobbying?

A: That's where a special interest group, be they community oriented or development oriented, more likely the latter because of the kind of money involved in hiring somebody, has council's ear. This is being part of the "in" group. They meet members of council, they smile, they buy him

> a drink. "I'm not here to try and influence you, I just want to make sure you have the facts. The administration has zeroed in on one point and they're really missing the whole picture. Their argument is really a minor argument, and this is what is really important". Or, "the administration are being jerks...as usual...they don't want any development. Don't they realize there's a recession...don't they realize people are out of work, they're sitting there in their cushy jobs". The aldermen listen politely, hopefully don't commit...it's illegal to commit.
>
> ...take off 85% of the applications and you're down to 15% where there's controversy and quite often, this is where the vote trading is done. One can sit and watch council, they know how they want to vote, they know how they've been lobbied, they know how the community wants them to vote, and they really regret having to be in the position of having to decide, but that's their position and we all have to live with it...

9.3.4 Determining the Ward Alderman's "Limits To Action"

In Chapter 5 politics was defined as the "activity by which an issue is agitated or settled". Of the kinds of political activity outlined there, it was retroduced that "contention" was the way most land use disputes are settled, that is, through the exercise of power expressed in terms of a combination of influence (based on relationship) and domination (based on control). It was concluded that those who understand the process as a "struggle" and therefore exercise whatever power they can muster, will have an advantage over those who seek to "bargain" a solution.

The **Ward Alderman** is structured by a power perspective. He approached the conflict as a struggle. He made statements like "Allan, I have learned the system over the years", "when there's a split, refuse", and "the opposition usually have good reasons". He talked about vote trading, not in terms of political expedience but in terms of "alienating support".

The **Ward Alderman** very much adopts the perspective that the public interest is indicated by those who vote and the voter's interests are paramount. That is especially true of land use issues which are ward related. His perspective is that of "the greatest good for the greatest number". This is why the **Ward Alderman** made statements like "the opposition [who by implication vote] usually have good reasons".

It seems clear that the **Ward Alderman** is structured by a concern to maintain his political power. The result is a political position that seeks a public interest that is opposed to change, because "when there's a split, refuse". Support from other aldermen is to be garnered through a plethora of city-wide issues as a way of satisfying ongoing ward concerns. The **Ward Alderman** defines the "public interest" in terms of "aggregate concerns" (votes). As a consequence, social justice concerns and individual profit concerns are all subservient to his greater goal of remaining in power. The **Ward Alderman** is strongly structured by the essential power relation. It would appear that his "limits to action" are coterminous with his "range of action".

9.4 Conclusions

The purpose of this chapter was to define the "limits to action" of the participants structured by the essential relations inherent to the real estate development process. The **Developer** was structured by an essential economic relation (the deal); the **Community President** by an essential social relation (social justice); and the **Ward Alderman** by an essential political relation (getting re-elected). The next chapter examines those participants structured by the three factors of mediation.

CHAPTER 10

The Mediations Of Participants

10.0 Introduction

This chapter examines the role of participants as they seek to mediate the contingencies impacting the essential relations structuring the real estate development process. The **City Planner**, the bureaucrat who made the decision to support the proposal, was interviewed to examine the mediation of an urban manager. The **Legion Representative** was interviewed to examine the mediation of participation. Through interviews with the **Developer**, the **Community President** and the **City Planner**, the mediation of externalities was examined.

10.1 Urban Managers

Some participants in the real estate development process mediate the contingencies of those structured by the essential individual and political relations. They have been broadly defined as urban managers and for the purposes of this research the focus was on the **City Planner**.

10.1.1 City Planner

[His initial comments are in response to a question I had asked him about the actual case.]

A: ...it's a professional decision. My current bent is to put some weight on the professionalism of the staff.

Q: What about the planner as broker?

A: We do it, but that's not our job. [At] the land use [rezoning] stage the planner is more the broker. Somebody comes in and says, "I own this piece of property, it's zoned R1, but I'd really like to have it C1". I say, "sure, everybody would". (That way you could make a whole bunch of money on it.) Now let's look at it to see if there's policies in place. Yes, there's an old design brief. "Convince me, then, that for some reason this site is unique and it's no longer better suited for residential, it really should be commercial". If because (of what's gone on around), the policy is old and out of date, we [probably] should be doing something different. Then we advise the community association and we send letters to all abutting property owners.

We're not trying to abdicate our responsibility by saying "if the community says it's okay then we'll go with it"...I don't hold myself out to be influenced by them. I will go out to a public meeting and I will answer phone calls and I will meet with people and give them information and I will advise them as to procedures, but I won't say "you've got a good point". If they echo something I've already thought of then I will listen to their input. But I don't seek guidance from the public...

If everything seems to be working, then we ask if we have enough grounds to support the change. Generally the reaction is yes, if we can do it without screwing up everything else, and justify it in planning terms, then we're more likely to support. We support something like 85% of all proposals...

Q: What does it mean to justify it in planning terms?

A: You're looking for planning principles and I'm trying to avoid listing planning principles. Because I don't think anyone's ever written them all down. We talk about good planning principles...Craig Reid [an alderman] used to stand up and say, "well what are they?" It's a bit of jargon, but I can't list them. I guess it's compatibility, appearance, workable in terms of infrastructure, how do you gauge whether something's going to have an adverse impact, in what terms, in whose eyes?

Part of where we get our principles from is the Planning Act. One thing we're not supposed to do is get into anything that smacks of regulating competition.

What I have done in the past is to suggest that there is enough land zoned for this type of use in this area, that no more was really warranted or there would be an oversupply situation. We would not be doing our job properly if we let everybody go where they wanted.

[But we do] let the market decide. Shopping centres are the best example. My experience is when you get two shopping centre proposals very close to each other at any point in time, because there's a market for one we go through the proposals and decide which one we would support for planning reasons. We go through an analysis of transportation, better access, less disruption, less impact on existing development. [However] council invariably says we will approve both and let the market decide. Then you have a situation where there are two shopping centres and neither one really makes it, so we get run down shopping centres with uses that we weren't hoping for. It creates another planning problem because development has occurred around it and has established a commercial value for the property by council zoning it for a shopping centre. The bottom line is, that whatever your planning principles are, it's a political decision. We, as professionals, are advisors to the decision makers. We are not the decision makers. What we tell communities is that if you don't like what is being proposed you have to come up with some planning rationale as to why it's inappropriate and how it will impact you. There is an assumption that the community has an inherent right, "this is where we live and this is who we are and who better to know what's appropriate for our community than those that live in the community". So why do we need anything else? Why do we need a bureaucracy, why do we need a council?

That's why you need some temperance of these views by going through a process. Here's an unbiased third party [the planner] who looks at this stuff day in and day out and his professional opinion would suggest that it is either appropriate or inappropriate. They will couch their arguments in the jargon of the day and send them off to the approving authorities who are the elected representatives who are charged with deciding on behalf of the greater public at large whether or not this thing should go ahead...

We don't lobby members of council, it's a rule of etiquette. But, because of my longevity in the position, I'm part of the "in" group just because I've been here a long time. Council sees me and knows who I am. If they need something they phone me. If the community's giving them a hard time, they have them phone me. To get them off the alderman's back. So there's a little give and take. I try not to abuse it. Only if it's a major situation do I go to the aldermen and say "you're going to get a lot of lobbyists in on this one and this is why we're going the way we are. If you do this here even though it sort of makes sense it will open the floodgates for other applicants. And they'll all point to this one and say, 'you did it for him, now do it for me'.

I don't like the fact that lobbying goes on. Usually if there's a lot of lobbying it's not going the same direction I am and I don't think it's fair that we have to put it [our decision] in writing after a hurried circulation, there's lots of pressure and maybe we haven't digested all the things we need to, and we put it in writing and throw it out for everyone else to have a kick at for several months without any chance of rebuttal...

Q: So is it fun?

A: Sure, that's why I stayed in the area for so long. Besides I don't like policy planning. It would drive me nuts.

Q: Besides it would take you out of the "in" group.

A: Yeah. There's a certain amount to be said for that. When I walk across the atrium someone says "hi [**City Planner**]", and the person I'm with says "who's that". "Oh, it's alderman so and so". "Oh, I didn't know you knew them". This is another city employee whose work doesn't involve the politicians. We take it for granted. That's just part of the job. So it's great because you're in on the decisions. You make recommendations, a lot of them are applied. But you're right in there[1].

10.1.2 Ward Alderman

[The ward Alderman made one comment about the planner's role in the "situation".]

A: In the Bowmont Design Brief it says in there, and it's true, that the amount of commercial space [presently existing] is more than the area needs[2]. This is not understood and is generally ignored. The planners ignored it, as you recall they recommended approval of your project. The area is well supplied with commercial...

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[1] This is in stark contrast to a comment at the beginning of the interview where "I am the professional planner, I have policy documents, and I'm very bureaucratic...My decisions are not subjective - I'm a bureaucrat".

[2] This is a rather liberal interpretation of the statement in the plan: "the need for general upgrading is quite evident. This may reflect a reduced number of customers as a result of competition from Market Mall and other Shopping Centres in the north-west sector" (City of Calgary 1978a).

10.1.3 Determining the City Planner's Role As Mediator

Planners are the bureaucrats who exemplify the concept of urban managers put forward in Chapter 7. The **City Planner** called himself an "advisor to the decision makers". This corresponds to Harper and Stein's (1992) conception of the planner as a policy analyst. As described, this approach to planning has been widely adopted by many planners, and appears to be the mode of this **City Planner**.

As a policy analyst the **City Planner** implicitly relied on "planning principles" when making his recommendations, and then was reluctant to enumerate them. Hodge (1989: 158), in **Planning Canadian Communities** identifies what he regards as the "main ones":

1. Land uses with different activity characteristics should be separated from one another for their effective functioning.
2. The pattern of land uses should provide for the integration of all functions and areas.
3. The circulation system should reflect the land use pattern.
4. Social cohesion should be promoted by providing the opportunity for the proximity of home, employment centres, shopping opportunities, recreation areas, and schools.
5. Residential areas should be attractive, well-drained, and have variety in their design.
6. Housing should be provided in a range of types to suit the income structure of the community.
7. Commercial and service areas should be

concentrated to provide both convenience and efficiency.

8. Modes of traffic with differing characteristics should be separated from one another.
9. The downtown area should be considered the social and business heart of the community.

As an advisor to decision-makers, the **City Planner's** role as mediator was evidenced by his concern with the market. He was attentive to not restricting competition and admitted that Council, when faced with a decision between competing projects, would approve them both.

While the **City Planner** sees himself as a bureaucrat, he also, and this is key, views himself as part of the "in" group. He commented twice that his influence was a result of his length of time in the position, and due to his constant interaction with the decision-makers. Accepting that he is not a decision-maker, it would appear that the **City Planner's** "limits to action" as a policy analyst are extended by exerting his influence as part of the "in" group. It seems he expands his "range of action" only on issues where he is convinced that the proposal is against his ill-defined planning principles.

As an educated professional largely structured by the role of policy analyst, the **City Planner** "speaks the language" of both the developer and the elected officials. This is exemplified by his reference to the "in" group, which is comprised of politicians and developer's lobbyists. He clearly is less influenced by, and perhaps may be said to disdain, the mediation of "participation" because it threatens his bureaucratic perspective. As he said:

> There is an assumption that the community has an inherent right, "this is where we live and this is who we are and who better to know what's appropriate for our community than those that live in the community". So why do we need anything else? Why do we need a bureaucracy, why do we need a council?

10.2 Participation

Participation is an ideal. Its task is to give and receive information about the process. The need here was to examine the role of the participant who was clearly mediating between social justice and political power (inter-relational) and not those participants who were structured by some other essential relation (like the **Community** who were structured by individual profit). There were many citizens who sought the mediation of participation, but the **Legion Representative** provided a key mediation.

The **City Planner's** provided an interesting perspective on participation. His comments are introduced first because of his role in filtering the comments to the politicians.

10.2.1 City Planner

Q: Tell me about the public participation process.

A: I've always taken the position that everything I do always goes to a public hearing of council. That gives the public a chance to try and influence the ultimate decision...

I am the professional planner, I have policy documents, and I'm very bureaucratic. I will advise people and communicate with them as much as possible but I will not have my planning recommendation influenced by the community. I can be sympathetic as to why you're doing what you're doing, and it just so happens that we're going the same way so we can work in concert. In another community I say just because you don't like it doesn't mean I'm not going to approve it.

My decisions are not subjective - I'm a bureaucrat. I don't think the community has any right to dictate what goes on a site. They get into colors, shapes. If a guy wants to build an infill, he's got the zoning, and he complies with the rules, then why because a neighbour who's been there two years longer says "this is my community and you're impacting me adversely and I don't like the look of your building". I say, "Well I don't like the look of yours either, so we're even..."

Invariably when you have a community you have a few

> activists who haven't been elected. The activists say, "we don't like this", and they go around and say [to their neighbours, usually through the mechanism of having them sign a petition] "you don't like this either, right?" "Right! Now get off my doorstep." Or, "we like it, yeah, now get off my doorstep." The old two petition stuff. [Both sides] get 60% of the signatures that are the same just to get them off their doorstep. They don't have any validity at all. So the community at large is 80% apathetic. Of the 20% you have warring factions, say 12% definitely against and 8% who are willing to be vocal and support. The vast majority mostly don't get involved, so you're into people who want to assume the authority on behalf of the community, and impose their views on everybody else.

10.2.2 Legion Representative

> ...I started the Housing Committee when I was the president in 1980 and I never gave any thought that this Legion would turn around and say that a business of that type [the shopping centre proposal] would be more important than housing. Given that the present shopping centre was half empty and that there was a gas bar proposed, when at the time we had two gas bars, neither one of them could make a penny...my concern wasn't so

much the business, my concern was the senior citizens. Senior citizens want to live in this community.

10.2.3 Community President

Q: ... what happened to our proposal?

A: What happened in your case is that you ran into the people from the Legion. I told you, and I was dead right, that if you wanted to get this thing through, you will have to appease the people who live around here. You went out and you banged on doors. You ran up against one person who was totally opposed[3]. Everybody else was no problem. She is a community activist. She was the past president of the Bowness Community Association. She single handedly did not kill that. What killed that was the Legion[4]. They had always said that they wanted that land to put up a senior citizens complex...

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[3] This person sent a letter of concern to council (dated Dec. 3 1988). While she directed her concerns to council, they did not seem to influence Council's decision. In the interviews with the participants only the **Community President** addressed her involvement.

[4] Note that the members of the Legion, while from the neighbourhood, do not "live around here" in the terms initially agreed upon by the **Developer** and the **Community President**. It would seem that the **Community President's** definition of "community" is very fluid.

10.2.4 Ward Alderman

> ...there's a big element of judgement in planning matters. The process is structured to get more than just the planning officer's point of view. That's the stuff of the '50's and '60's. With more public participation, and more people getting interested in what's going on, they expose the judgement of one person to the judgement of many.

10.2.5 Determining "Participation's" Mediation

Participation was described as allowing citizens a voice in the process. As an "ideal" factor, it is less well defined than the "planning principles" of the **City Planner.** To aid the **Ward Alderman** in maintaining power he focused on the mediation of "participation" rather than that of the urban manager. This factor of mediation provided a way for the **Ward Alderman** to read his political landscape. It is important to note that neither the **Community President** nor the **Developer** were aware of the role of participation in this "situation".

10.3 Externalities

Externalities mediate the essential economic and social relations. They are not represented by any one participant. As a result, culled comments from all participants concerned with the mediation of individual profit and social justice are included. The review begins with the **Developer's** perspective on how the externalities created by the development would contribute to social justice.

10.3.1 Developer

Q: Why did you think there was a market, given the vacancies of the other adjacent centre?

A: Primarily because we were franchise driven, but also because we could offer an intervening opportunity for the cars coming through Bowness to the far northwest where, at the time, and it is still largely true today, these basic services were not available. Because of the comprehensive planning of northwest Calgary, which makes it as close to an American bedroom city as can be found most anywhere in Canada, and because the commercial zoning along what I call the Crowchild Trail "spine", is mostly dominated by regional shopping centres[5], there is an absence of what are commonly thought of as basic commercial services.

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[5] It is interesting to note that south of the Bow River in Calgary there are two regional shopping centres. North of the Bow there are five. In the south, the Macleod Trail operates as a huge commercial strip that provides a range of commercial facilities. In the north, and especially the north-west, there are few commercials strips and few intermediate sized shopping centres providing convenience consumer goods.

Donut shops are a symbol for me of the lack of basic services. Along the "spine", the only one to this day is near McMahon Stadium. The city goes further west for 5 miles, and there is nothing of this kind of service. My point here is not to argue for the social necessity of donut shops. Rather, it is to say as a developer, this kind of lack, combined with the market requirements that such franchises have - which I knew well because of my leasing practice - meant that I would risk filling it [the perceived need] in a secondary site if a primary one is not available. (This site is a secondary location.) So this is what I attempted to do. It is interesting that [the need for these kinds of services is so prevalent that] two of the major tenants I had signed have found other sites - that I believe are even more secondary - since our defeat.

Q: So those that say "there is vacant space across the street" are right, but only in the sense that quality is not important?

A: Yes, but of course quality is important. The tenants I had lined up were prepared to pay almost double over what the mostly vacant centre across the street is leasing for. This is not something that the resident faced with a proposal will easily recognize. At the same time this is surely bound to create a problem for the existing merchants who are in fact operating on marketing principles twenty or more years out of date.

10.3.2 Community President

Q: How do you decide whether you will support a project?

A: If you're going to come in and provide a service which the people of this community need we would welcome you. Please live with the rules as laid down in the Planning Department. Live by those rules, whatever they are. We support them. Parking, garbage, whatever the rules are, you live by those rules and we will welcome you as a neighbour.

10.3.3 Ward Alderman

...looking at the map, everything south of Bowness Road is residential. Even though it's low density, low income, subsidized housing, there has to be something pretty interesting, pretty important, pretty powerful...there has to be a compelling argument to change this to a commercial land use. Even though it's at a corner with a set of traffic lights, not just it's on a busy corner with traffic lights, that's all true, but the other thing is the availability of commercial space in the general area south of the river including Montgomery, along 16th Avenue...

[Another] thing is that should this have proceeded to commercial you never know where it's going to end. There would never be any incentives in fixing up the existing centre. It would continue to run down. With the building of Market Mall and of Crowfoot Centre a lot of people that might have used this now shop there. Someday the existing centre will be redeveloped into a light industrial or residential use. Commercial sites will continue to be under-utilized. The businesses will locate in other areas which have just as much traffic as Bowness Road but a higher residential base. These internal commercial sites will continue to be under-utilized and will continue to deteriorate. That's my view of the long term. The future for them is light industrial or medium density residential...

Q: What were the political realities of this site in the community?

A: This is the last major site you can use for any major senior development. You can't expect the province to start buying individual 50 foot lots. That was really important. It's not the perfect place for residential, being on a busy road with a set of traffic lights, cars would be stopping and going, and all this.

10.3.4 Legion Representative

> ...the complaint of those who went down to City Hall was that the [existing] mall had been stripped out. The bank had left, the liquor store had left, Safeway had left. We were afraid that the project would be put up and the money made and that all of a sudden not only would this [existing] one be half empty, but the new one would be empty too.

10.3.5 Intra-Relational Externalities

As noted in Chapter 7, not all externalities mediate between social justice and individual profit. Some externalities are the concern of those structured by the same essential relation. Thus developers may be in conflict with others structured by individual profit. In this section some comments by the participants are provided that reflect these intra-relational conflicts.

10.3.5.1 The Developer

> ...I used to say when I was promoting this development, that if you are in Bowness and are looking for drugs, the Mac's store in the existing centre was the place to go. I mention this because one of the strengths I was offering was that we were prepared to eliminate certain uses from our land use proposal to ensure that our

development never became a hangout. Uses like billiard-parlours and convenience stores. This made the **Community** happy, it was something we could give them, and at the same time protect the integrity of our development.

10.3.5.2 Community President

...How often do we get involved with proposals that came along? Very rarely. I believe in live and let live. If it wasn't a concern to the neighbours it wasn't a concern of mine...

Q: You say you represent the community. What does that mean?

A: When you're dealing with a community association, you're dealing with a problem that this guy has in this block, you're not dealing with a community-wide problem. This guy has a problem, he's got way too much traffic going past his front door, speeding through the playground zone, whatever, and he wants to get a road closure. Well...the City of Calgary would always be looking to the community association saying "do you support this proposal?". The community association's response was, "if those people have met the criteria for having that road closed, why would the community association care or not. We don't live there". It becomes a personal issue. I never allowed it to become an issue of the community association.

10.3.5.3 Ward Alderman

Q: Let's talk about those people that supported the project.

A: There were some people who saw that vacant site as a liability and wanted to see something happen there, but weren't too fussy as to what it was. [They] saw your project as developing the site, and that's what they wanted to see. They were prepared to support it whether it was residential or commercial...

10.3.5.4 City Planner

...we have to respond to what is being proposed because that is what is presented to city council. Would it work, first of all...work from an infrastructure standpoint. Roads, utilities, access points that aren't right at the intersection, is the site big enough to accommodate the land use, what are the uses that are likely to go in under the broad designation and are they all appropriate to this site.

10.3.6 Determining Externalities Mediation

Externalities tend to overproduce costs and underproduce benefits. By asking the critical question "at what scale?", it can be determined if the externalities are either a factor of inter-relational mediation, between individual profit and social justice, or if they are a factor of intra-relational mediation. Respecting the latter, those in the **Community** seemed prepared to have the site developed, believing that the seniors home would never be built. As a consequence the "goods" provided by the inter-relational externalities - the provision of services and the creation of employment - outweighed the intra-relational externalities of increased noise and traffic.

The **Community President**, structured by social justice, based his perspective on the fact that the inter-relational externalities were of most concern to the **Community**. For the **Developer**, structured by individual profit, he focused on the intra-relational externalities. He made concessions to reduce the number of uses and other impacts on the **Community**. He failed to adequately address those inter-relational externalities that could mediate between the essential profit and justice relations. The **Ward Alderman**, structured by political power, "read" that these externalities were not effectively mediating profit and justice. His expressed concern respected the precedent of allowing an intrusion of commercial activities into a residential area, and the loss of a unique opportunity for a seniors' complex, and the effect of the proposed development on the existing retail structure.

10.4 Conclusions

The purpose of this chapter was to define the "limits to action" of the three "participants" structured by factors of mediation. The **City Planner** sought a bureaucrat's role and expanded his "range of action" to make himself part of the "in" group only when his planning principles were violated. The **Legion Representative** sought to influence the political decision by making representations in favour of the seniors' complex.

The intra-relational externalities dominated the **Developer's** concern. He focused on the intra-relational externalities to win both the **Community's** and the **Community President's** support. Those externalities that impacted the profit potential of the **Developer** and the land values of the **Community** were negotiated. That is why the **Community President** wrote a letter of support to council even though the vote at the neighbourhood meeting opposed the proposal.

In contrast, the inter-relational externalities were not adequately addressed. The **Ward Alderman** focused on these inter-relational externalities. He considered the arguments of the **Legion Representative** key because he believed the inter-relational externalities had not been effectively mediated.

In the final chapter a **Reality Check** will be undertaken.

CHAPTER 11

A Reality Check

11.0 Introduction

This work is based on the premise that one can attain a better understanding of reality through the use of some of the dichotomies common to Western society. The process is to create, using an actual "situation", an abstraction expressed in terms of an ideal: "what could be". In turn, the abstraction is used to inform the "situation" and comprehend the real: "what is". Called a **Reality Check,** a method has been developed that accomplishes this by considering "entire dichotomies".

This **Reality Check** seeks to understand a particular "situation" by answering the question "why did the efforts to develop the shopping centre fail?" In the early part of this work - after the case was discussed to provide the context - a more adequate conception for understanding the real estate development process was proposed. In so doing, the three essential relations (social justice, political power and individual profit) and the three factors of mediation (urban managers, participation and externalities) that respectively structure and mediate the real estate development process were retroduced. Next, as an approach to understanding the real, the nature of qualitative research was considered and those participants structured by an essential relation or factor of mediation were interviewed.

In the first part of this chapter two techniques will be introduced, the **Reality Check Diagram** and the Summary Reckoning. A **Reality Check** of the "situation" can then be undertaken. In the second part of the chapter a retrospective will be offered on how the **Reality Check** came to be formulated. Finally, a few comments will be made on the application of the new method to other "situations".

11.0.1 The **Reality Check Diagram**

To perform a **Reality Check**, each participant will be placed on a **Reality Check Diagram**, to provide a visual understanding of the relationships between the participants. The **Reality Check Diagram** was introduced in Chapter 3 as a way of explaining the new conception of the real estate development process. The **Reality Check Diagram** for this "situation" is presented as Figure 11.1.

11.1 A **Reality Check** Of The Three Factors Of Mediation

This **Reality Check** focuses on the three participants structured by the real estate development process and upon the impacts of those participants seeking to mediate the conflict.

First to be considered will be those participants seeking to mediate the "situation".

11.1.1 The City Planner

It was retroduced that the **City Planner** was structured by his role as an urban manager. Throughout the interview with him, he made strong claims about basing his decisions on "planning principles". These claims are reflective of a policy analysis perspective and it was this outlook that structured the **City Planner,** providing his "limits to action". As mediator between the individual profit and political power relations structuring the real estate development process, the **City Planner** acknowledged that being part of the "in group" was also important. The "in group", for the **City Planner**, was composed of developers, their lobbyists, and politicians. These relationships with those essentially structured by the real estate development process may have, at times, expanded his "range of action".

A **Reality Check** suggests that the **City Planner** exercised his responsibility as a bureaucrat when undertaking his review of the **Developer's** proposal. The "situation" was routine. The proposed development was neither in conflict with his "planning principles" nor did it impact his bureaucracy in any threatening way. Consequently, there was no need for him to "power up" and use his influence as a member of the "in"

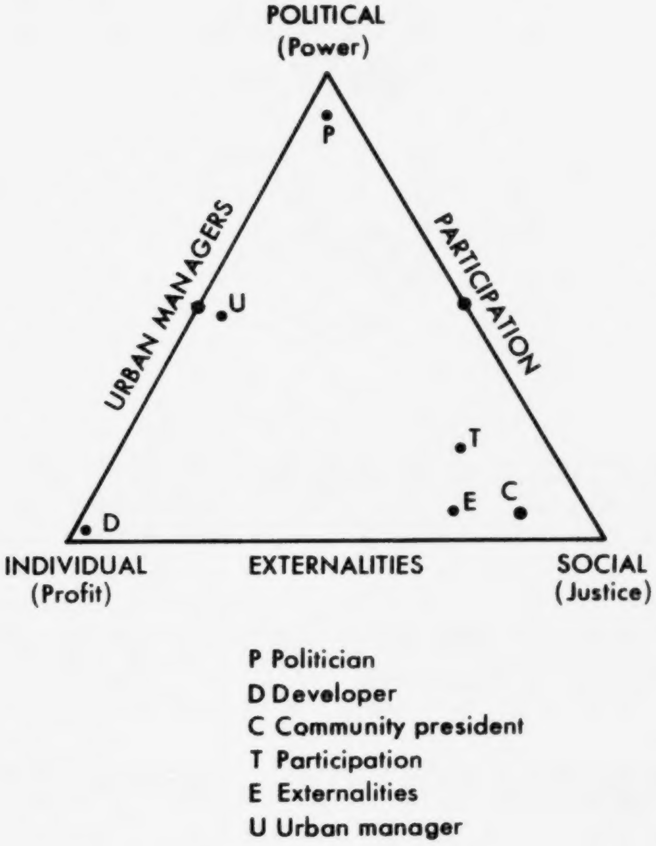

Figure 11.1 The **Reality Check Diagram** Of The "Situation"

group. As a consequence, his "limits to action" and "range of action" were coterminous.

The **Developer** and **Ward Alderman** used the (reified) information the **City Planner** provided for very different ends. Based on the **City Planner's** recommendation to council, the **Ward Alderman** utilized the information to evaluate the arguments in favour of the proposal. As a site specific recommendation, he recognized that it did not address the (social justice) issue of a seniors' home.

In contrast, the **Developer** used the recommendation and the legitimacy of the urban manager as a banner of support. Although he recognized that the recommendation did not carry any real power - he had once done an analysis of a previous council's decisions which showed a strong inverse relationship between the planning department's recommendations for approval, and council's actual decision - he sought to use it as a way to gain support among other council members who were not aware, or perhaps did not care about, the broader social justice issue relating to this development. In this sense the recommendation of the **City Planner** gave the **Developer** enough credibility to gain fully one half of council's support.

Due to the **City Planner's** recommendation of support, and because he did not "power up" that recommendation, it can be concluded that his "range of action" in this "situation" was coterminous with his "limits to action". The **City Planner** will be placed as "U" on the **Reality Check Diagram** (Figure 11.1).[1]

11.1.2 Participation

It was retroduced that the basic goal of participation in the land use system is to provide an opportunity for those concerned about a specific proposal to receive information and to express their concerns. As conceptualized here, participation mediates issues of social justice and political power by acting as a source of information for those structured by these two essential relations. It provides a vehicle for the expression of participants who, on a case by case basis, are concerned with a particular social justice issue.

In this case, although there were many seeking to participate, those participants seeking to mediate between the essential power and justice relations were best exemplified by the Bowness Legion, as embodied by the **Legion Representative**. His concerns about the provision of seniors' housing (his "limits to action") brought the **Legion Representative** to express these concerns to those in political power. By doing so he maximized his concern for social justice, and made it an issue of neighbourhood importance. His intervention found support through a petition in the neighbourhood. As expressed in the interview with the **Legion Representative** (see Chapter 10), his support of seniors' housing and his opposition to the proposed shopping centre held no political motives but were based on issues of social justice. Thus, his "range of action" was an expression of this particular essential relation.

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[1] The technique of placing a participant on the **Reality Check** diagram is based on the relative strength of the impact of the essential relations. For the **City Planner** the impacts upon the profit and power relations were neutral.

The **Legion Representative's** participation in support of social justice was a source of information to the **Ward Alderman**. The **Legion Representative** will be placed at "T" (Figure 11.1) on the **Reality Check Diagram**.

11.1.3 Externalities

In this conception of the real estate development process externalities mediate between individual profit and social justice, that is, they are inter-relational. Both essential relations can be expected to generate inter-relational as well as intra-relational externalities. For the **Community President**, the shopping centre proposal addressed his social justice concerns: creating employment, presenting the neighbourhood as progressive, and demonstrating concern for those who were disadvantaged. Thus the inter-relational externalities of the **Community President** were well mediated. Neither the **Community President** nor the **Developer** adequately recognized the most important of the inter-relational externalities, the concern over seniors' housing. Instead, both focused on solving the intra-relational externalities of noise, traffic and garbage while ignoring[2] the most important externality. By focusing on intra-relational externalities he sought to reduce conflict with those landowners who lived near-by. The **Developer** managed to placate those arbitrarily defined as the **Community** and gained their support. He believed that concerns expressed were only from neighbours in close proximity to a site.

A **Reality Check** would indicate that because of an inadequate understanding of the inter-relational externalities impacting the "situation", the **Developer** subsequently addressed primarily the intra-relational externalities, those affecting the **Community**. He ignored the mediation of the inter-relational externalities for all those participants who were structured by social justice, with the exception of the **Community President**. Due to the influence of the inter-relational externalities in determining the outcome of the proposal, the mediation of externalities "E" is placed nearest the essential social justice relation on the **Reality Check Diagram** (Figure 11.1).

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[2] As was noted in Chapter 2, the **Developer** was unaware of the seniors' housing issue until a few days before the public hearing.

11.2 A **Reality Check** Of The Three Essential Relations

Now that those participants seeking to mediate the conflicts has been considered, an understanding of each essential relation will show why the proposal failed.

11.2.1 The Community President

It was conceptualized that the **Community President** would be structured by an essential social justice relation. The interview with him revealed that he was structured by social justice concerns like making the neighbourhood a better place to live. One way this was manifest was through the provision of a subsidized hockey program supported through bingo and priced so that the children of the blue collar workers in the neighbourhood could have an opportunity for recreation. The **Community President** found the development proposal acceptable because it met his goal of contributing to the greater good of the community, his "limits to action". For him, the development provided a feeling of progress in much the same way that the regional shopping centre did for other communities in the 1960's.

While the proposal met the **Community President's** perspective of social justice, he admitted in the interview that he had not really addressed the need for seniors' housing because of his belief that the Legion's dream was not feasible. He also admitted that if he had believed their proposal to be real, he would have supported their goals over those of the **Developer**. The potential intra-relational social justice conflict between the **Community President's** desire for the progress that a shopping centre could be seen to bring, versus the neighbourhood's desire (as mediated by the **Legion Representative**) for senior's housing, was therefore not addressed by the **Developer**. It was, however, well understood by the **Ward Alderman**.

In spite of, or perhaps because of, this partial understanding of social justice concerns, the **Community President's** "range of action" was coterminous with his "limits to action". With these understandings, the **Community President** is placed nearest the social justice relation, "C" on the **Reality Check Diagram** (Figure 11.1).

11.2.2 The **Ward Alderman**

It was conceptualized that the **Ward Alderman** would be structured by political power. In the context of Calgary's City Council, each alderman is an isolate in the sense that the council is not structured around party affiliations. The success of re-election is accomplished by protecting one's position through political power, their "limits to action". To aid their success, each alderman needs access to two important kinds of mediations, those of the urban manager (based on planning principles) and the participation of those structured by social justice concerns and representing a broader social good.

As was made clear in the interview, the **Ward Alderman** sought to effectively use the information provided by the mediation of urban managers and participants to help him maintain his position. It could be expected that when there was a conflict between the individual and the social relations, he most often supported those structured by social justice. Those were the citizens concerned with some kind of greater good, and as active participants in a process the **Ward Alderman** claims "they remember". The commonly held perception of the **Ward Alderman's** voting record affirms this view. It was widely perceived to be anti-development. One could speculate that if a proposal aroused no strong social justice concerns, that prior to supporting a proposal the **Ward Alderman** would determine if the individual intra-relational externalities would generate any organized opposition before committing his support.

The **Ward Alderman** read the "situation" well. He recognized that the **Community** was largely ambivalent towards the specific proposal, but supported it because their property values were protected. He also saw that those structured by the kind of social justice that surrounded the support of the seniors' home could not easily be appeased, and because of their opposition, the **Ward Alderman** extended his "range of action" towards those structured by social justice.

The **Ward Alderman** was able to translate his views into enough votes to defeat the proposal[3]. From the interview with the **Ward Alderman**, it seems likely that some voted with him to pay their debt to him. Others on council supported him because of the concerns of the neighbourhood.

The **Developer** received support from half the aldermen whose outlook was towards the progress of the city as a whole (the view of the market that holds to a kind of social justice gained through individual effort). It seems likely that for some aldermen, the **City Planner** provided his mediation in a way that garnered their support.

Due to his effective use of the process to "read" his support and maintain his political power, the **Ward Alderman** is placed at "P" on the **Reality Check Diagram** (Figure 11.1).

11.2.3 The Developer

It was conceptualized that the **Developer** would be structured by an essential individual profit relation. The **Developer** was supported through the mediation of the **City Planner**. He, however, misread the mediation of the externalities. While successfully eliminating the intra-relational externalities, the **Developer** erred in conflating the resolution of site specific concerns used to attain the **Community's** support with the broader concerns of the neighbourhood. While in some cases it may be perfectly adequate to focus on resolving intra-relational externalities, in this "situation" the **Developer** was blind to those inter-relational externalities caused by the broader social justice concerns. With his focus on the intra-relational externalities, the **Developer's** "limits to action" are coterminous with his "range of action" and will be placed as "D" on the **Reality Check Diagram** (Figure 11.1).

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[3] The reasons that each Alderman had for voting the way they did have been lost. The transcripts of the meeting are routinely destroyed after the minutes are approved. The minutes provide only the voting record.

11.2.4 The Conclusions From The **Reality Check Diagram**

A visual inspection of the **Reality Check Diagram** indicates that the **Developer** effectively used only one of the factors of mediation. Both the mediations of inter-relational externalities and of participation supported the broad desire for social justice. The **Ward Alderman's** concern was for power. Therefore, he aligned himself with social justice because that is where the broadest support was focused.

It is interesting to note that the **Ward Alderman** aligned himself with the neighbourhood, against the **Developer**, and that even if he had not been able to garner the number of votes on council to defeat the **Developer's** proposal, he still would have "won". By taking a stance against the **Developer** he was assured of ongoing support from his voters.

11.3 A Summary Reckoning

A second way to undertake a **Reality Check** is to perform a "Summary Reckoning". It is a simple kind of score-sheet that records the diversity between participants "limits to action" and their "range of action". The Summary Reckoning of this "situation" is provided here as Figure 11.2.

A review of the Summary Reckoning shows that only the mediations of externalities and participation have a **Reality Check** that is dominated by the "range of action" rather than by the "limits to action". If the **Reality Check** had been available to the **Developer** as the "situation" was ongoing, perhaps this anomaly may have given warning as to what the outcome of the "situation" was likely to be.

In most **Reality Checks** the summary reckoning could be used to evaluate a process as an ongoing event. It has the potential, as an analytical tool, to take on a greater significance than can be demonstrated here. A researcher may need to experiment with both the **Reality Check Diagram** and the Summary Reckoning to determine which is most helpful to their particular "situation".

Participant	"Limits to action"	**Reality Check**	"Range of action"
Developer "D"	Profit	Profit	Profit
Community "C" President	Social Justice	Social Justice	Profit
Politician"P"	Power	Power	Justice
City "U" Planner	Urban Manager	Urban Manager	Urban Manager
Legion "T" Representative	Participation	Social Justice	Social Justice
External- "E" ities	Externalities	Social Justice	Social Justice

Figure 11.2: A Summary Reckoning of the "Situation"[4]

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[4] As an example of how to read the Summary Reckoning, the **Legion Representative's** "limits to action" are structured by participation. He adopted a social justice argument and as a consequence his "range of action" may be said to be social justice. The **Reality Check,** therefore, indicates a social justice oreientation in this "situation".

11.4 A Personal Reflection On The Creation of A Method

As a way of completing the hermeneutic spiral, this section provides a review of how the **Reality Check** came to be developed. It also seeks to bring further insight to those attempting to undertake their own **Reality Check**.

The research was motivated by a personal desire to understand a failed development proposal. The case was puzzling because, as the **Community President** confirmed "[Allan you] made a good proposal, and [you] played by all the rules". The reason for the defeat troubled me, therefore I sought to find a way to understand it. In order to gain a fuller understanding, I searched for a philosophical "box" into which to put my thoughts. As I read widely in the geography literature, it seemed that critical realism provide a methodology for examining a social process that would best provide a framework for what I understood to be true about the real estate development process.

The first task was the retroduction of the three essential relations. While the three essential relations structuring the real estate development process (individual, social, and political) are highly abstract I was guided by an over-riding understanding that each one is a component of the relations which broadly define twentieth century capitalism. I came to see that the essential relations structuring the real estate development process are but a sub-structure of the way that society is generally structured.

While theorists think in terms of "what could be", practitioners (business people) tend to view the world in terms of "what is". Sadly, because of their dichotomous perspectives, the two seem to distrust each other. One reason is because there are few ways to reconcile such dualisms. During the course of the research I became intrigued by Sayer's discussion about this problem. Sayer noted that in learning a new skill we first learn the theory, and then the practice. While we are learning we tend to focus on one or the other. As the learning progresses and the skill is learned, our theory and practice meld so that the activity becomes a "thing" that has little or no interaction with the original dichotomy. I began to observe how often social processes are reified. It seemed like it might be more helpful if the "entire dichotomy" was considered, and each used to "inform" the other. The process of a change agent using theory to inform practice had not been named, so I called it the **Reality Check**.

While formulating a new conceptualization of the real estate development process I came across a review article by Gore and Nicholson (1991) that synthesized the work to date. When the existing conceptions were compared to the notions inherent to realist philosophy, I saw that there was the need for an approach that would take advantage of my high level of pre-understanding (experience). The sole purpose for developing a new conceptualization of the real estate development process would be to use it to inform a "situation". It needed to recognize the importance of a "change agent" as being in a unique position to inform the abstract. It is a concept of the hermeneutic spiral and incorporates a notion of movement from the real to an ideal and back to the real. This provided a structure to the entire method.

As I thought about some of the other influences that impact the real estate development process, I became interested in the notion expressed in urban geography that society has developed some administrative and legal mechanisms whose purpose is to mediate conflicts arising from broadly based opposing views. I then set out to retroduce those mechanisms. They are the planning profession (or more broadly, urban managers), participation (a limited expression of democracy), and externalities (the effects of a new development on neighbours). As I carefully considered the relationship between the three essential relations to the three factors of mediation, I concluded that there were actually two structures, with the mediation structure "nesting" inside the essential relations.

In keeping with realist methodology, it was clear that the essential relations impose "limits to action" on participants. These "limits to action" are internal and are called by realists "essential". For example, the **Community President** was structured by a kind of social justice that sought to improve the well-being of the neighbourhood. The "limits to action" are not mechanistic in the sense that they prohibit a participant from acting outside their structure. Rather, they define a participant's role.

Contingent relations, those which do not essentially structure a participant, may expand a participant's "range of action". For example, the **City Planner** saw and projected himself as a bureaucrat. That is, while his "limits to action" were structured to provide information to decision makers, his "range of action" was influenced by his desire to be part of the "in" group. On a "situation" by "situation" basis this may expand his "range of action" to favour one essential relation over the others.

11.5 Future Research

This **Reality Check** has sought to operationalize a new method as a way of seeking an understanding of a "situation". However, as a method, the **Reality Check** has the potential to do more than seek a historical understanding of a "situation". By using the summary reckoning it has the capacity to be a potent method for understanding a case as it progresses. It seeks to provide a way that new understandings can be attained.

To confirm the saliency of the method, what is needed is an opportunity for a participant to use a **Reality Check** during an ongoing process rather than in the reflective manner applied here. The **Reality Check** could most readily be applied to ongoing real estate development processes, because the work of establishing the essential relations has been accomplished. For example, it could be used by a developer or politician seeking to break a log-jammed proposal.

As a work that incorporates the hermeneutic spiral as one of its key underpinnings, it is acknowledged that as this method is applied to new "situations", the essential relations and factors of mediation will be constantly refined. There is a separate need, however, for the mediation substructure to be fully retroduced. The work here focused primarily on its relation to the three essential relations, but it needs to be more fully explored as a structure in its own right.

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APPENDIX I

I.0 Rationale

During the early part of this research a network analysis of the "situation" was undertaken. As noted, realism is based on the notion that each experience builds understandings. Although network analysis was abandoned as the major form of data analysis during the formulation of this research, it provided a basis for understanding the "situation". Because it played a part in the formulation of the **Reality Check**, as well as providing a preliminary understanding of the "situation", the network analysis is included as an appendix.

I.1 Social Network Analysis

Network analysis is derived from graph theory (Tinkler 1977). Geographers became interested in network analysis to solve location problems such as railway planning (Haggett 1969). Geographers expanded its use to consider all kinds of infrastructure (e.g. roads, water supply, electrical systems), and other shortest route problems (Haggett and Chorley 1969).

The use of graph theory has now been adopted by sociologists to assist with the task of understanding non-spatial (social) relationships.[1] Proponents of social network analysis claim it is more "powerful" than explanations that define behaviour in terms of "norms, values and attitudes"[2] (Richardson and Wellman 1985: 771).

I.2 Network Analysis: The Concept

Breton and Breton (1980: 23) define a network as all contacts, interactions, relationships and their product, affected by covert, concealed or even secret understandings or agreements between individuals and groups. These understandings (called ties or connections) are often "quid pro quo", meaning things promised in exchange for cooperation. The nature of the exchange is often unspecified when a transaction takes place: something to be defined at a later time when circumstances warrant (Breton and Breton 1980: 26). Often what is traded is information, and therefore the relationship is often destroyed when someone makes public what is traded or the price paid. The information may be used immediately, or might be held for months or even years waiting for the most profitable opportunity. If one aspect dominates network formation and maintenance, it is trust among and between the participants. Networks work when trust exists, and fail or are kept from forming when trust is lacking.

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[1] Sociologists use network analysis framed in the same terms that geographers are familiar with. Those wishing to re-familiarize themselves with the mathematical terms should consult Tinkler (1977).

[2] This is where I have parted company with the network analysts. This work is based on a view that by determining what structures a participant, their "limits to action" (their norms values, and attitudes) will be revealed.

Networks may be formal (organizational structures), or informal (friends within or between organizations), and are seen as a form of **capital** because they are: **built** (take effort to develop); **investments** (past or current); **directed** (allocated to one thing and not another); **limited** (because of their directedness); and **additive** (those who invest the most will have the most) (Breton and Breton 1980: 32).

Networks are affected by the strength of a relationship. Strong ties like language, ethnic similarities, or in the case of urban politics, the fear of a change in the landscape are those that weld a community together. In contrast, weak ties are disproportionately likely to be bridges between groups (Grovetter 1982: 130), and of participants of high social or economic status (Erickson and Kringas 1975). While not yet verified, the "situation" provides some evidence that it is likely that politicians and developers tend to have a large number of weak ties, while communities concerned with land-use issues exist because of strong ties that are issue focused. Someone who "owns" a network because of their formal position within the network or as a result of their "capital" investment, can foster conflict by discouraging the development of (weak) ties between groups.

One might reasonably ask over what "distance" are these relationships meaningful? It's one thing to claim a "friend" (a short chain), but what about a "friend of a friend" (an intermediate chain), or a" friend of a friend of a friend" (a long chain). Erickson and Kringas (1975: 587) note that chains tend to be short, or at the most intermediate. Short chains often have friendship itself as the reward. Long chains often require tangible rewards. Network analysis is well suited to the study of intermediate relationships (Richardson and Wellman 1985: 773). Because land-use conflict tends to involve intermediate chains, social network analysis may be a particularly apt method of study for this kind of conflict.

I.3 Network Analysis Of The "Situation". The Participants

Twelve "participants" impacted this particular "situation":

1. **City Council**, on the day of the public hearing twelve members were present. The Ward Alderman is considered separately: therefore eleven, (coded as C.C. in the analysis);
2. **Ward Alderman** (W.A.);
3. **Senior's Elite** (S.C.E.), the executive of the senior's service club who spearheaded the efforts of their club to block the rezoning;

4. **Business Elite** (B.E.), those businessmen involved on the "Alderman's" election campaign who spearheaded the petition;
5. **Community** (Association) **President** (C.A.P.), given his decision to sidestep the results of the neighbourhood meeting, it seems reasonable to exclude the rest of the executive of the community association;
6. **Neighbourhood Petitioners** (N.P.), those residents of the neighbourhood who signed the businessmen's petition;
7. **Planning Department**[3] (P.D.), provided a strong recommendation to proceed with the rezoning;
8. **Developer** (D.), the author;
9. **Community** (A.R.: affected residents), those most directly affected, in a spatial sense;
10. **New Tenants** (N.T.), those national tenants who were committed to the proposed development;
11. **Site** (S.T.E.)[4] ;
12. **Alberta Mortgage** and **Housing** Corporation (A.M.H.), the provincial Crown Corporation which owned the land.

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[3] Named elsewhere "**City Planner**".

[4] Critical realists call social relations with a thing, such as this site, a single hermeneutic, and relationships with two social actors a double hermeneutic (Sayer 1992: 35). "Site" therefore, cannot relate to the other actors in the same way social actors do. This distinction was not recognized during this analysis.

I.4 Calculating the Strength of the Relations

Based on these twelve "participants" two nonsymmetric matrices of their interactions were compiled[5] (Figures I.1 and I.2). Figure I.1 is a directed (non-reciprocal) matrix, the values of which range from -2 to 2. Negative values were applied to interactions between the "Alderman" (and his supporters), and the "Developer" (and his supporters). Positive values were applied to interactions within either of these two groups. The only exception is the interactions of "Alberta Mortgage". Given their contractual obligation to the developer and their political mandate to the seniors, all their interactions were viewed as positive. While "zero" represents no interaction between two groups, "one" indicates a weak (often legislated) connection, and "two" a strong inter-personal connection. In order to accommodate the UCINET Program used in the analysis, binary data was required for some analyses. Those data are represented in Figure I.2. The initial sociogram; what geographers call a digraph (directed graph of the interactions) evident from these matrices, is presented in Figure I.3. **City Council** has been placed at the centre of this analysis given their legislated role as decision maker.

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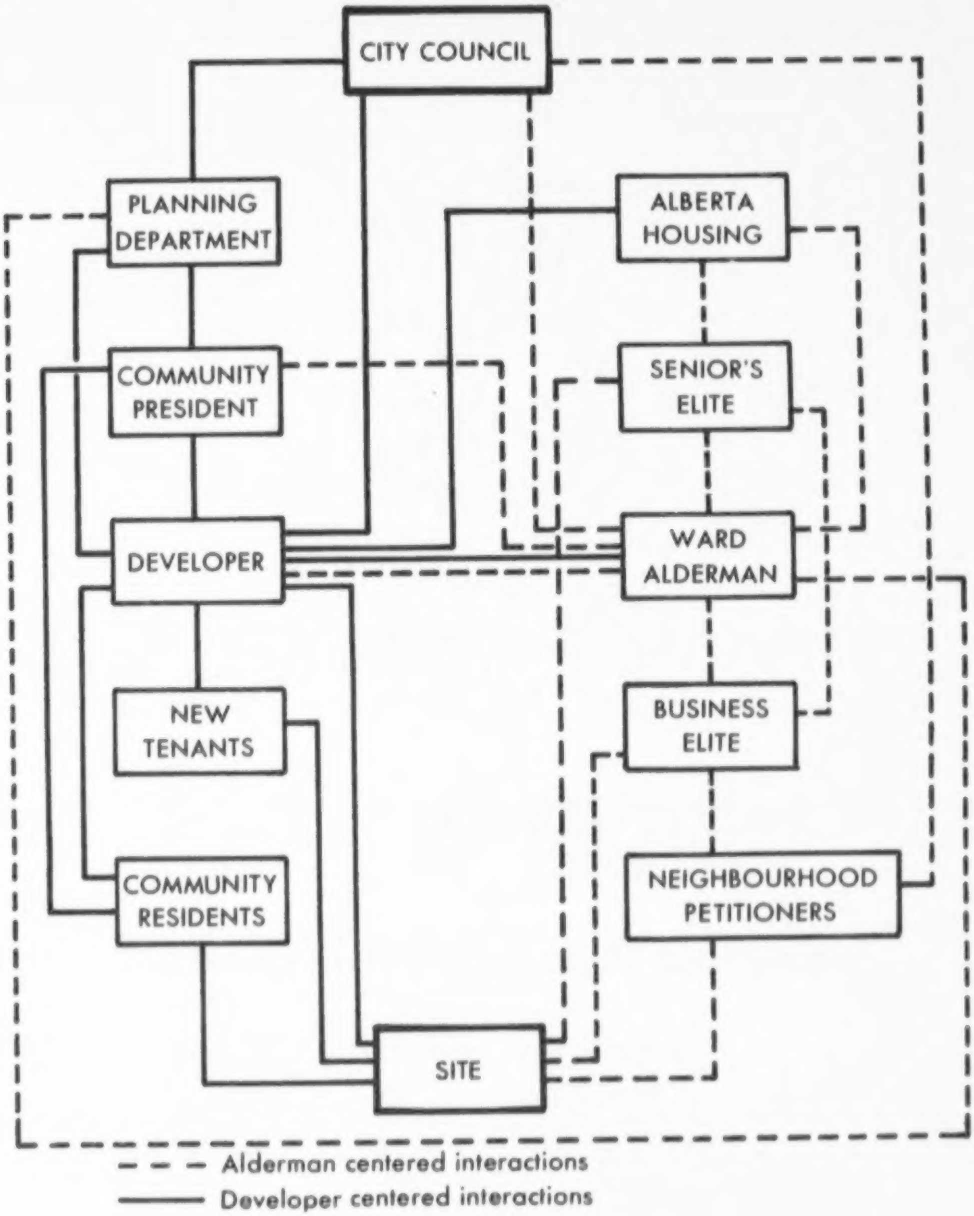
[5] They were based on my understandings at the time.

	CC	WA	SCE	BE	CAP	NP	PD	D	AR	NT	STE	AMH
CC	0	-2	-1	-1	1	-1	1	2	1	0	0	0
WA	-2	0	2	2	-1	1	-1	-2	-1	0	0	1
SCE	-1	2	0	1	0	2	0	0	0	0	-2	2
BE	1	2	1	0	-1	1	0	0	0	-1	-2	0
CAP	1	-1	0	0	0	0	0	1	1	0	1	0
NP	-1	1	1	1	0	0	0	0	0	0	-1	0
PD	1	-1	0	0	0	0	0	1	0	0	0	0
D	2	-2	0	0	1	0	1	0	2	2	2	1
AR	1	-2	0	0	1	0	0	2	0	0	2	0
NT	0	0	0	0	0	0	0	1	0	0	2	0
STE	0	-1	-2	-2	1	-2	1	2	2	2	0	2
AMH	0	1	2	0	0	0	0	1	0	0	2	0

Figure I.1: Directed Matrix

	CC	WA	SCE	BE	CAP	NP	PD	D	AR	NT	STE	AHM
CC	0	1	1	0	0	1	1	1	1	0	0	0
WA	1	0	1	1	1	1	1	1	0	0	0	1
SCE	1	1	0	1	1	1	0	0	0	0	1	1
BE	0	1	1	0	0	1	0	0	0	0	1	0
CAP	0	1	0	0	0	0	0	1	1	0	1	0
NP	1	1	1	1	0	0	0	0	0	0	0	0
PD	1	1	0	0	0	0	0	1	0	0	1	0
D	1	1	0	0	1	0	1	0	1	1	1	1
AR	1	0	0	0	0	0	0	1	0	0	1	0
NT	0	0	0	0	0	0	0	1	1	0	1	0
STE	0	0	1	1	1	1	1	1	1	1	0	1
AHM	0	1	1	0	0	0	0	1	0	0	1	0

Figure I.2: Binary Data



- - - -   Alderman Centred Interactions
———   Developer Centred Interactions

Figure I.3: Sociogram

I.4.1 Density

A network analysis provides several "measures" that seek to aid the understanding of the interactions. Each will be considered in turn. The first common measure of these types of data is the density of the matrix, that is, the extent to which links between all the participants which could exist, actually do exist. A perfectly connected graph would have a density of one.

The density here is about 0.5, indicating that only about one half of the connections exist indicating numerous weak ties.

I.4.2 Subgroups

The network program UCINET identifies four sub-groups (Figure I.4): 1. "City Council"; 2. "Ward Alderman", "Senior's Elite", "Business Elite", "Neighbourhood Petitioners" and (surprisingly) "Alberta Mortgage"; 3. "New Tenants" and "Site"; 4. "Developer", "Community President", "Planning Department", and "Community".

Tellingly, the **Ward Alderman's** block has a stronger density (0.8), than the **Developer's** (.667). That the land owner, "Alberta Mortgage", had a stronger tie to the **Ward Alderman** than to the **Developer,** leads to speculation about the relative power of his ties with the politicians responsible for the Crown Agency (informal ties) as opposed to the formal (contractual) tie the **Developer** had with the administration.

There was perfect density (1.0) in the third block, ("Site" and "Future Tenants"). This confirms that the **Tenant's** obligations were foremost to the **Site**, not to the **Developer** or any other party. We could assume, all things being equal, that **Future Tenants** would have an ongoing commitment to the **Site,** unless their corporate plans directed them to a secondary choice. This confirms, the desirability of this site for a shopping centre. It does not, however, confirm that it is a better site for a shopping centre than for seniors' housing.

The comparative densities between blocks are striking. Both the **Ward Alderman** and the **Developer** are equally related to the **Site**. Both viewed the site in an absolute sense, meaning they saw the site as vacant and ready for development. While **City Council** had no relationship to the **Site**, their relationship to the **Developer** was complete (a density of one). This seems to suggest that the **Developer** maximized his contacts and had no further ability, in this network, to tap additional members of **City Council**. Hence the reason for the loss. Because the **Developer** had maximized his position, he would have had to bring in another participant with strong connections to **City Council**, i.e. a paid lobbyist, to have the chance of potentially swinging even one vote.

BLOCK	N	Members
1	1	CC
2	5	WA SCE BE NP AMH
3	2	NT STE
4	4	CAP PD D AR

Figure I.4: Subgroup Densities

By contrast, the **Ward Alderman** had not fully exploited his network within **City Council** (0.80, or 80%). It is likely that the **Ward Alderman** had his votes counted before the hearing, and as a result, needed to only partially exploit his network on **City Council.**

The densities between the **Ward Alderman** and the **Developer** are 0.5. Here too, the **Ward Alderman's** previous investment paid off; his contacts with the **Developer's** block were stronger (0.3) than the **Developer's** were with the **Ward Alderman's** (0.25) block. Much of this may have had to do with the **Ward Alderman's** connection to the **Community President**, and the **Developer's** neglect of the **Senior Citizens Elite**.

I.4.3 Outdegree

The third measure is called by social network analysts as outdegree, "outgoing links" (Tinkler 1977: 30). This measure confirms the subgroup analysis. It may be defined as "who others claim as their friend", or, who is relying on another participant. Not surprisingly, the strongest outdegree was claimed to be the **Site** (0.818, Figure I.5). This is not particularly surprising, given that the dispute concerned what should happen to a location perceived as a zero-sum, a win by one side would be a loss by the other. There either would, or would not, be a shopping centre on the site.

RELATIVE OUTDEGREE OF POINTS

CC	0.545
WA	0.727
SCE	0.636
BE	0.364
CAP	0.364
NP	0.364
PD	0.364
D	0.727
AR	0.273
NT	0.273
STE	0.818
AMH	0.364

Figure I.5: Outdegree

As could be expected of the social participants, the **Ward Alderman** had the strongest outdegree (0.727). His "investment" could be expected to show the greatest return in times of conflict. While the **Developer** might also be expected to show real strength in this area, and this is confirmed (0.636), his strength is matched by the **Senior's Elite** (0.636). The data confirms that the **Ward Alderman's** strength came largely from his relationship with the **Senior's Elite**.

I.4.4 Dependencies

The fourth measure to be used seeks to show the strength of the dependencies between the various participants (Figure I.6). The values range from 0 (no dependency) to 4.5 (the **Tenant** is totally dependent upon the **Site**).

Respecting the site, these data confirmed that **City Council** and the **Ward Alderman** had no interest in the Site per se, but are motivated by relationships with social actors. In contrast, other participants, including the **Seniors Elite**, the **Business Elite**, the **Community**, and **Alberta Mortgage**, all exhibit a strong dependency upon the **Site**.

Tellingly, the **Developer** is more strongly dependent upon the **Ward Alderman** (1.083) than upon any other social participant, and needless to say it is difficult to "solve" a conflict in one's favour when one is most dependent upon one's protagonist. The **Ward Alderman** shows a slight

```
LOCAL DEPENDENCIES

 CC     0.000  1.000  1.250  0.000  0.000  0.333  0.250  1.917  0.250  0.000
 WA     0.333  0.000  0.167  0.167  0.500  0.000  0.167  1.500  0.000  0.000
 SCE    0.867  0.533  0.000  0.000  0.533  0.000  0.000  0.000  0.000  0.000
 BE     0.000  2.000  1.000  0.000  0.000  0.333  0.000  0.000  0.000  0.000
 CAP    0.000  2.500  0.000  0.000  0.000  0.000  0.000  1.500  0.333  0.000
 NP     2.250  2.250  1.750  0.750  0.000  0.000  0.000  0.500  0.000  0.000
 PD     1.000  1.833  0.000  0.000  0.000  0.000  0.000  1.500  0.000  0.000
 D      0.583  1.083  0.000  0.000  0.000  0.000  0.000  0.000  0.000  0.000
 AR     1.833  0.000  0.000  0.000  0.000  0.000  0.000  2.333  0.000  0.000
 NT     0.000  0.000  0.000  0.000  0.000  0.000  0.000  3.000  0.500  0.000
 STE    0.000  0.000  0.343  0.143  0.143  0.343  0.343  0.343  0.200  0.000
 AHM    0.000  1.583  1.250  0.000  0.000  0.000  0.000  1.917  0.000  0.000

 CC     0.000  0.000
 WA     0.000  0.167
 SCE    1.867  0.200
 BE     3.667  0.000
 CAP    2.667  0.000
 NP     0.500  0.000
 PD     2.667  0.000
 D      1.083  0.250
 AR     3.833  0.000
 NT     4.500  0.000
 STE    0.000  0.143
 AHM    2.250  0.000

        Minimum value =   0.000    Maximum value =   4.500
```

Figure I.6: Dependencies

dependency upon all participants in his block. The **Community President**, while going so far as to send a letter of support to **City Council**, actually is almost twice as dependent upon the **Ward Alderman** as upon the **Developer**. Further, even though they are a part of the **Ward Alderman's** de facto constituency, the **Community** showed no dependency upon the **Ward Alderman** whatsoever.

It seems reasonable to suggest therefore, that the dependency shown by the **Community President**, and the lack of dependency shown by the **Community**, motivated the **Ward Alderman** to break the impact of the **Developer** upon the **Ward Alderman's** constituency.

Because urban conflicts tend to focus on single issues and not on broader concerns, it would suggest that defeating the proposal would break the **Developer's** momentum with the **Community**. By removing the impact of the **Developer** from the **Community**, the **Developer** would have no base to fight from, and the **Ward Alderman** could regain unequivocal dependency from the **Community President**. The support of the **Community** could be slowly regained. It also had the potential to remove any power base the **Developer** could have gained as a result of his relationship with the **Community**.

I.4.5 Minimum Distance

The final measure that was used, was "minimum distance" (Geodesic: Tinkler 1977: 38). The data are presented in Figure I.7. In this figure a "1" shows a direct tie between two participants, while a "2" shows an intermediate tie (that one participant must pass through another participant to have an influence).

As expected, the **Developer** did not have direct connections with the **Ward Alderman's** block (Business Elite, Neighbourhood Petitioners, or Seniors Elite). In contrast, the **Ward Alderman** had a direct connection with all of the **Developer's** network, except for the **Community**, the **New Tenants** and the **Site**. Given that of these three, only the loss of the **Community** would be of vital concern to the **Ward Alderman**, it can be concluded that the reason he did not support any particular participant at the beginning indicated a desire to assess the strength of the opposition through his direct connections with them.

I.5 Conclusions

It would seem that while the **Developer** set out to involve the **Community** to ensure their effective participation in the rezoning process, the **Ward Alderman** perceived that action as a threat to his power base, and consequently moved to protect

	CC	WA	SCE	BE	CAP	NP	PD	D	AR	NT	STE	AMH
CC	0	1	1	2	2	1	1	1	1	2	2	2
WA	1	0	1	1	1	1	1	1	2	2	2	1
SCE	1	1	0	1	1	1	2	2	2	2	1	1
BE	2	1	1	0	2	1	2	2	2	2	1	2
CAP	2	1	2	2	0	2	2	1	1	2	1	2
NP	1	1	1	1	2	0	2	2	2	3	2	2
PD	1	1	2	2	2	2	0	1	2	2	1	2
D	1	1	2	2	1	2	1	0	1	1	1	1
AR	1	2	2	2	2	2	2	1	0	2	1	2
NT	2	2	2	2	2	2	2	1	1	0	1	2
STE	2	2	1	1	1	1	1	1	1	1	0	1
AMH	2	1	1	2	2	2	2	1	2	2	1	0

Minimum value = 0 Maximum value = 3

Figure I.7: Minimum Distances

his weakly dependent coalition. This finding fits with the perception communicated to the **Developer** by various participants, that the **Ward Alderman** did not seem to be predictable in his support of either developer or community interest. In short, the **Ward Alderman** was dominated by concerns of maintaining power, and responded to selective communities (like the **Senior Citizens Elite**) in order to protect his power base. This guarding of his power base seemed to dominate over an alliance to any one group.

APPENDIX II

April 1993

Participant Letter

Re: Research Into Land Use Change
Subject Site: Heritage Centre (7735 Bowness Road N.W.)

Dear Participant:

You may recall that in 1988 Spacemakers Development Corporation optioned from Alberta Mortgage and Housing, (subject to being "rezoned"), the then vacant site on the south east corner of Bowness Road and 77th Street to build a neighbourhood shopping centre. Spacemaker's application to reclassify the property was defeated at a public hearing of City Council in December of 1988.

Now, some five years later, as a part of my doctoral work at the University of Alberta, and as part of my larger concern to understand land use conflict, I am studying this particular decision. Because of my involvement as a participant in the land use application - I was the President of Spacemakers Development Corporation at the time - this research will be substantially different from previous attempts by academics and planners to understand land use disputes. As a result it may well make a significant contribution to the general understanding of what is commonly called NIMBY (Not In My BackYard).

Because you had a direct involvement in the process that led to City Council's decision it is important that I meet with you so that I can more fully understand the concerns you had at that time. Please call me at your convenience to let me know when you will be available to meet with me. The meeting will take about an hour and will be a directed discussion over a cup of coffee, wherein your recollections about the events surrounding this particular application will be solicited.

I thank you for your consideration of my request. I may be reached in Calgary at 233-7985.

Kind Regards

Allan S. Matthews
Ph.D. Candidate

APPENDIX III

Ward Alderman
The City Of Calgary
Box 2100, Station"M"
Calgary, AB
T2P 2M5

Re: Research Into Land Use Change
Subject Site: Heritage Centre (7735 Bowness Road N.W.)

Dear **Ward Alderman**:

I thank you in advance for agreeing to meet with me today. I wish to confirm that my desire to interview you is for the completion of my research into land-use change (specifically respecting Spacemakers failed attempt to reclassify this site to a commercial use). It is an important part of my research for the completion of my dissertation for my Ph.D. program at the University of Alberta.

I am, for ease of analysis of your comments, seeking permission to tape record our discussion. I do so on the basis that I shall use the material only for the purposes of academic research, and that you shall only be identified in the work as the "Ward Alderman", and not by name. Further, the content of the tape will be made available to no one but myself.

Thanks again for your assistance.

Kind regards

Allan S. Matthews